



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

CHAD RINDE
DIRECTOR OF FINANCE

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA



Photo Credit:

**Edelmira Rodriguez, Senior Account Clerk
Department of Finance**

**The cover photo was taken outside Sacramento County's
Armstrong location where you can enjoy a "Spring in Fall" vibe.**

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025





This page intentionally left blank.



TABLE OF CONTENTS	i
-------------------------	---

INTRODUCTORY SECTION

Letter of Transmittal	vii
Certificate of Achievement for Excellence in Financial Reporting	xviii
Organizational Chart	xix
List of Public Officials	xx
Acknowledgement	xxi

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet - Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	36
Statement of Net Position - Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	39
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Position - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position - Fiduciary Funds ..	43
Notes to Basic Financial Statements	47
Required Supplementary Information (Unaudited):	
Retirement Plan - Schedule of Proportionate Share of the Net Pension Liability	155
Retirement Plan - Schedule of Contributions	157
Other Postemployment Benefits (OPEB) - Schedule of Changes in the Total OPEB Liability and Related Ratios	159
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	165

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	166
Special Revenue Funds:	
Combining Balance Sheet	171
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	175
Individual Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	179
Debt Service Funds:	
Combining Balance Sheet	200
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	202
Individual Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	204
Capital Projects Funds:	
Combining Balance Sheet	212
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	215
Individual Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	218
Nonmajor Enterprise Funds:	
Combining Statement of Net Position.	236
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	238
Combining Statement of Cash Flows	239
Internal Service Funds	
Combining Statement of Net Position.	244
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	246
Combining Statement of Cash Flows	247
Custodial Funds:	
Combining Statement of Fiduciary Net Position	252
Combining Statement of Changes in Fiduciary Net Position	253

STATISTICAL SECTION

Net Position by Component.	258
Changes in Net Position.	260
Fund Balances of Governmental Funds	264
Changes in Fund Balances of Governmental Funds	266
General Governmental Tax Revenues by Source	268
Assessed Value and Estimated Actual Value of Taxable Property.	269

Average Property Tax Rates - All Direct and Overlapping Governments . . .	270
Principal Property Taxpayers	271
County-Wide 1 Percent - Secured and Unitary Property Tax Levies and Collections	272
Ratios of Outstanding Debt by Type	273
Legal Debt Margin Information	275
Pledged-Revenue Coverage	277
Private Sector Principal Employers	278
Demographic and Economic Statistics	279
Full-Time Equivalent County Government Employees by Function	280
Operating Indicators by Function	282
Capital Asset Statistics by Function	286

BOND DISCLOSURES

County of Sacramento Annual Continuing Disclosures	293
County of Sacramento Investment Pool	294
County of Sacramento General Fund Adopted Budget	295
History of Gross Assessed Valuations	296
County-wide Secured Tax Levies, Delinquencies and Collections	296
Largest Secured Taxpayers FY 2025-26	297
Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2020-21 Through FY 2024-25	298
Financing Obligations	299
Pension Obligation Bonds	300
Other County General Fund Obligations	301
Aggregate Debt Service, Current Outstanding Debt-Certificates of Participation Only	302
Aggregate Debt Service, Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation	303
Variable Rate Debt/Interest Rate Swaps	304
Department of Airports	306
Historical Enplaned Passengers	307
Historical Aircraft Landed Weight	309
Airlines' Market Shares of Enplaned Passengers	311
Statement of Revenues, Expenses and Changes in Net Position	315
Airline and Nonairline Revenues	317
Summary of Historical Revenue, Expenses and Debt Service Coverage . . .	319
Water Agency Enterprise Fund	321



This page intentionally left blank.

INTRODUCTORY SECTION



This page intentionally left blank.

Department of Finance

Chad Rinde

Director



County of Sacramento

Administration
Auditor-Controller
Consolidated Utility Billing & Services
Investments
Revenue Recovery
Tax Collection & Business Licensing
Treasury

November 26, 2025

To the Members of the Board of Supervisors and Citizens of Sacramento County Sacramento, California

The Annual Comprehensive Financial Report (ACFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2025, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the County's financial statements are accurate in all material respects and presented as of and for the fiscal year ended June 30, 2025. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and bond disclosures. The introductory section includes this transmittal letter (which is designed to complement the County's MD&A and should be read in conjunction with it), a copy of the Fiscal Year Ended June 30, 2024 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, a list of public officials, and acknowledgment section. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and individual nonmajor fund financial statements and schedules to provide readers with a comprehensive understanding of the County's financial activities. The County's MD&A, which is unaudited, can be found on pages 7 - 26 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The bond disclosure section, also unaudited, includes selected financial information and key compliance information for continuing disclosure information for the various outstanding bonds.

Profile of Sacramento County

Sacramento County was incorporated in 1850 as one of the original 27 counties of the State of California. The County's largest city, Sacramento, is the seat of government for the State of California and also serves as the County seat. Sacramento became the state capital in 1854.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands

between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

The geographic boundaries of the County include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County has a charter form of government. It is governed by a five-member Board of Supervisors (Board), who are elected on a non-partisan basis to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 1, District 2, and District 5 are elected in gubernatorial election years (2026, 2030, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2024, 2028, etc.). District boundaries are adjusted after every federal census to equalize district population.

Other elected officials include the Assessor, District Attorney and Sheriff. A County Executive appointed by the Board of Supervisors runs the day-to-day business of the County.

The County provides a full range of services including public protection, construction and maintenance of all public facilities, waste management, water, parks maintenance and operations, health and human services, human assistance, child, family and adult services, planning, tax collection, elections, airports and many others. Supporting the delivery of County-wide services are several departments and agencies. The financial reporting entity of the County includes all the funds of the primary government (i.e., County of Sacramento as legally defined), as well as all of its component units, which are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, these blended component units are accounted for in the governmental funds, enterprise funds, and fiduciary component unit as disclosed in the notes to the accompanying financial statements.

Economic Condition and Outlook

At the national level, the economy continues to expand at a moderate rate, with Gross Domestic Product (GDP) increasing at an annual rate of 3.3 percent in the second quarter of 2025, up from a 0.5 percent contraction in the first quarter. In a report from the U.S. Bureau of Economic Analysis, the increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction from the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers increased at an annual rate of 2.7 percent before seasonal adjustments for the twelve months ended on June 30, 2025. The Consumer Price Index for the San Francisco-Oakland, Hayward, CA increased at an annual rate of 1.5% for the same period.

Housing Market

The U.S. Census Bureau and U.S. Department of Housing and Urban Development jointly reported that nationally housing starts in June 2025 increased 4.6 percent from May 2025 and were 0.5 percent below the June 2024 level. Permits for new construction in June 2025, a sign of future demand, have increased 0.2 percent from May 2025 nationally, but are 4.4 percent below the June 2024 rate. Within the

Sacramento Metropolitan Statistical Area, housing starts were down 13.7 percent for the twelve months ending June 2025 according to the Federal Reserve Bank Economic Data.

Active listings increased 28.9 percent nationally over the last year, according to a report from Realtor.com, while the total inventory of unsold homes increased by 20.0 percent. The median price of homes for sale in June 2025 was up a modest 0.2 percent compared with June 2024, with the median price per square foot up by 0.7 percent. Homes spent 53 days on the market in June 2025, compared to the average 48 days during June 2024. In California, June's statewide median home price was \$899,560, down 0.1 percent from May and also down 0.1 percent from an adjusted price of \$900,720 in June 2024.

According to the Federal Reserve Bank of St. Louis, the House Price Index (HPI), a broad measure of the movement of single-family property prices, in the Sacramento, Roseville, and Folsom Metropolitan Statistical Area (MSA) was 409.83 in the first quarter of 2025, an increase from 403.97 in the first quarter of 2024. According to a recent report from the California Association of Realtors, the median home price within Sacramento County was \$549,450 as of June 2025, a 1.9 percent decrease over the prior year. The month-to-month numbers reflect a slight decrease in the average home sale price from \$550,000 in May 2025.

In FY 2024-25, the County's property tax assessment roll increased by 5.2 percent, following an increase of 7.4 percent in FY 2023-24. This is the twelfth annual consecutive increase since FY 2012-13. The County is expecting growth of 5.4 percent in FY 2025-26 property taxes, which are based on assessed values as of January 1, 2025. The recent growth in assessed values is due to a combination of factors, including sustained increase in average home prices over the last few years and ongoing new housing development and construction projects.

Labor Market

According to the Bureau of Labor Statistics, the national unemployment rate was 4.1 percent in June 2025, representing a slight decrease from June 2024. The number of jobs added to nonfarm payroll from May 2025 to June 2025 was 147,000. Notable employment gains in June 2025 occurred in government, healthcare, and social assistance.

The unemployment rate in the Sacramento, Roseville, and Arden-Arcade MSA was 5.3 percent in June 2025, up from 4.8 percent in June 2024. Between June 2024 and June 2025, total jobs in the region increased by a net 0.7 percent, or 8,100 jobs, primarily in the areas of private education, health services, social assistance, and leisure and hospitality partially offset by fewer jobs in professional and business services and construction.

Tax Abatements

The County currently offers two types of assessment that meet the tax abatement criteria. The tax abatements, justification and economic benefit are as follows:

Williamson Land Conservation Act which the County offers to restrict the usage of specific parcels to preserve agricultural and other open space lands. The economic impact is approximately \$1,156,000 of abated revenue per year.

Mills Act which the County offers to promote the restoration and preservation of qualified historic buildings by private property owners. This requires the building owners maintain its historic character and to use it

in a manner compatible with its historic features. The future economic impact is approximately \$76,000 of abated revenue per year.

Long-Term Financial Planning

Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to fund General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, County staff prepares a Multi-Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition under three different scenarios: a Baseline Scenario, that staff believes is the most realistic scenario to use for planning purposes, and More Conservative and More Optimistic Scenarios. Each of the scenarios makes different assumptions about what the General Fund's discretionary revenue and Net County Cost will be through FY 2031-32, with the following estimated results:

- The *Baseline Scenario* shows projected Net County Cost exceeding discretionary revenues until FY 2031-32. Under this scenario, the General Fund's unassigned fund balance is projected to grow to just under \$500 million by the end of the forecast period, in part due to assumption that actual Net County Cost will be 5% below the budgeted level.
- Under the *More Conservative Scenario*, Net County Cost is projected to exceed discretionary revenues throughout the forecast period. The projected unassigned fund balance would continue to decline throughout the forecast period to a low of approximately \$150 million.
- Under the *More Optimistic Scenario*, discretionary revenues are projected to exceed Net County Cost beginning in FY 2027-28 through the end of the forecast period. And the projected unassigned fund balance would reach approximately \$800 million by the end of the forecast period.

The wide range of projected results in each of the three scenarios illustrates the sensitivity of the projections to the assumptions used in developing them. Additionally, future circumstances may vary widely from the assumptions made in developing these projections for a wide variety of reasons, with actual results falling outside the projection range.

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP) and a Technology Improvement Plan (TIP) for consideration by the Board of Supervisors. The most recent CIP and TIP were approved by the Board in June 2025 and identified capital and technology needs through FY 2029-30.

Relevant Financial Policies

The Board of Supervisors has adopted two policies that provide key budget guidance:

General Reserves Policy

General Reserves Level Goal:

The General Fund Discretionary Reserve Target is for the combined balance of the General Reserve, Reserve for Cash Flow, and Service Stability Reserve to equal 17 percent of total General Fund revenues.

General Reserves Funding Policies:

- For the County's Recommended Budget, after funding base budget expenditures and any new obligations, the Reserve Policy call for making an required contribution to maintain the General Reserve at 10 percent of the discretionary revenues and depositing a minimum of 25 percent of any remaining discretionary resources to the Service Stability Reserve until the Reserve Target is reached.
- For the Revised Recommend Budget, after funding any changes in base budget requirements or new obligations, adjusting required contributions to the General Reserve, and funding enhanced programs and services prioritized in the Recommended Budget, the Reserve Policy calls for depositing any remaining discretionary resources in the Service Stability Reserve.

Reserve use and Replenishment:

The Reserve Policy recognizes that base budget requirements and new required County obligations in excess of discretionary resources available may result in a release from the General Reserve or the Service Stability Reserve and should include a plan to replenish reserves, which will be based on the circumstances under which the reserve release is made.

The FY 2025-26 Adopted Budget funds the General Reserve at 10 percent of discretionary revenues due to a lack of available resources after funding base budget requirement and new obligations, consistent with the Reserve Policy Funding Approach for the Revised Recommended Budget. Additionally, the Board of Supervisors directed the release of approximately \$10 million from the Service Stability Reserve for one-time uses in the FY 2025-26 Adopted Budget.

General Fund Contingency Policy

The General Fund Contingency Policy recognizes that departments in the General Fund are subject to the risk of unplanned, unavoidable expenditures during the year and that a pooled General Fund contingency is an efficient way to provide a form of "insurance" against these risks and avoid disruption to important services. The Contingency Policy specifies:

- Contingency Size: During the annual budget process, the County Executive will recommend an amount for contingency based on expectations for the potential of unplanned, unavoidable costs in the normal course doing business during the upcoming budget year.
- Acceptable Uses of Contingency: The contingency is intended to be used for unplanned, unavoidable expenditures incurred in the ordinary course of doing business.
- Authority to Use the Contingency: Any potential use of contingency must be coordinated with the Office of the County Executive, with recommendation to the Board in the form of an Appropriation Adjustment Request, which would require a four-fifths vote for approval.

County Budget Priorities

The following are the Board's Budget Priorities for the use of discretionary resources in order of priority:

1. Complying with the County's legal, financial, regulatory and policy obligations, including providing mandated services, ensuring collection of revenues, and complying with the General Reserves Policy.
2. Optimizing the use of County Resources, with budgeted service levels for County Programs informed by community priorities, improving effectiveness and efficiency where possible, and limiting the extent to which reductions in dedicated revenue are backfilled with discretionary resources.

3. Funding new or enhanced programs that focus on the most critical and urgent needs, with the following priority focus areas identified in a survey of County residents:

- A Countywide focus area of addressing homelessness and its impacts, including housing, mental health and substance use.
- An unincorporated focus area of improving the condition of streets and roads.

Major Initiatives

In the FY 2025-26 budget, Sacramento County is implementing or continuing a number of initiatives in each of the major functional areas of Social Services, Community Services, Public Safety and Justice, Administrative Services and General Government.

Social Services: Major Initiatives in County Social Services departments include:

- Launch of the Proposition 47 Reentry Opportunity and Access to Recovery (ROAR) Program to support housing, recovery, and stability for individuals recently released from County jails.
- Expansion of reentry supports through 70 new Salvation Army shelter beds and wraparound services for individuals living with serious mental illness (SMI) or substance use disorder (SUD) and recently released from County jails.
- Continued build-out of the Watt Avenue Safe Stay Community to shelter 225 adults and provide weather respite for 75 individuals.
- Expansion of child care access for CalWORKs participants through implementation of SB 80 and AB 1808, extending immediate and continuous eligibility for up to 24 months.
- Streamlined General Assistance program rules to improve efficiency and reduce churn.
- Opening of a second Behavioral Health Urgent Care Clinic to provide timely crisis stabilization and reduce ER visits.
- Expanded psychiatric and outpatient treatment capacity for justice-involved individuals, including increased APU, IOP, and contracted services.
- Introduction of Chronic Care Management staffing to strengthen care for patients with ongoing health needs.

Community Services: Major initiatives in Community Services departments include:

- SMForward, a \$1.3 billion expansion project at Sacramento International Airport, including a new pedestrian walkway, terminal expansions, a new parking garage, a consolidated ground transportation center, and a new rental car facility.
- Substantial investment in County road maintenance.
- Continued implementation of organic waste collection in compliance with new State law.
- Retooling the development review process.
- Streamlining the building permit process.

Public Safety and Justice: Major initiatives in the Public Safety and Justice area include:

- Relationship and trust building with communities affected by law enforcement.

- Community engagement about the Sheriff’s Office and jail system, as well as other public safety and justice issues, with the PSJA advisory committee as well as the Sheriff’s Community Review Commission.
- Meeting the County’s obligations under the Mays Consent Decree related to conditions of confinement in the County’s jails, including alternatives to incarceration and expanding mental health care services in the correctional system.
- Criminal Justice System County-wide mapping and data sharing.

Administrative Services and General Government: Major initiatives in the Administrative Services area and General Government include:

- Going live with a new property tax system.
- Planning, design, and construction of new County facilities, including a Safe Stay Community on Watt Avenue and planning for jail system facilities.
- Enhanced equipment in the County’s Emergency Operations Center.
- Organizational Culture Excellence Initiative.

Department Focus

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2024-25, we have selected the following activities:

Airports

- Sacramento County Department of Airports secured a \$36.1 million TIFIA loan—the first ever granted to an airport project—through the U.S. Department of Transportation’s Build America Bureau. The loan, enabled by the Bipartisan Infrastructure Law, will help fund SMF’s new Pedestrian Walkway as part of the \$1.3 billion SMForward modernization program. With low fixed rates, deferred payments, and up to a 35-year term, the financing is expected to save SMF over \$15 million compared to traditional borrowing.
- Sacramento County Department of Airports broke ground on a new 5,500-space parking garage at Terminal B, replacing the former Hourly Lot. The facility will feature covered parking, EV charging, reserved spaces, and a passenger guidance system. Part of the \$1.3 billion SMForward modernization program, the garage is slated for completion in Fall 2026 and will expand capacity to meet rising passenger demand.

District Attorney

- Formed two major task forces combatting significant crimes in the area. In collaboration with the California Attorney General’s Office, Homeland Security, and the Sacramento Police Department, the DA’s Office launched a new regional task force aimed at combating human trafficking. This partnership allows agencies to collaborate and share data with the ultimate goal of convicting more sex traffickers and providing resources to human trafficking victims. In addition to a human trafficking task force, the DA’s Office is proud to lead the Sacramento Fentanyl Overdose Response Criminal Enforcement (SAC-FORCE) task force, a dedicated rapid response team focused on investigating fentanyl overdose deaths and protecting our community. Through collaboration with local, state, and federal partners, SAC-FORCE works to track fentanyl sources using advanced analysis tools and confidential informants;

hold drug suppliers accountable for overdose-related deaths; conduct state and federal investigations, including potential wiretaps; and promote public health awareness and enhance community safety.

Finance

- The Auditor Controller Division implemented PaymentWorks System to bring efficiencies in the vendor onboarding process and to make it easier for vendors to subscribe for electronic payments.
- The Treasury Division, in collaboration with the Department of Technology, conducted a comprehensive cybersecurity risk assessment to strengthen the County's cybersecurity posture and identify vulnerabilities within its financial systems.
- The Treasury Division successfully implemented a new online electronic payment system for the Coroner's Office. The online payment system streamlined the payment process, saving time and effort for both the public and the Coroner's office staff, while also improving the accuracy and speed of payment processing.

General Services

- Completed the Watt Avenue Safe Stay project design, successfully awarded to a contractor, and started construction on schedule. When fully operational, the Watt Avenue Safe Stay Campus will provide wrap around support services for acutely vulnerable populations in Sacramento County. The site will offer private living spaces, three meals per day, bathrooms, showers, laundry facilities, community rooms, accommodations for pets, and more. Additional support services will be provided for case management, re-housing, job readiness, and connection to community providers. Grand opening is anticipated to be in spring of 2026.

Homeless Services and Housing

- Opened the County's largest Safe Stay Community Campus. In partnership with the State and the City of Sacramento, Department of Homeless Services and Housing (DHS) welcomed guests into its third and largest Safe Stay site on Stockton Blvd. The campus offers 175 cabin-style beds, including double cabins for couples or adult families, three meals a day, bathrooms and showers, laundry, a pet area, storage, and comprehensive support services such as case management, behavioral health, job placement, and housing assistance.
- Invested \$13.9 million in permanent and affordable housing for unsheltered residents. DHS partnered in the County's first public/private project, creating 32 permanent supportive housing units with 10 years of 30% Area Median Income (AMI) rental subsidies. The effort is part of a larger purchase of 142 additional workforce housing units, all earmarked for unsheltered residents along the American River Parkway.
- Opened Joshua's House, a first-of-its-kind homeless hospice. DHS invested more than \$1.1 million to complete construction of this facility, providing comfort care and support for homeless individuals with terminal illnesses after hospital discharge, ensuring they can spend their final days with dignity.
- Provided weather respite to 5,400 individuals. DHS provided full-day and overnight respite from extreme heat, cold, and rain. In 2024, the County activated the program 99 days, providing meals, showers, bathrooms, light case management, and support for both people and their pets.

Human Assistance

- Successfully implemented policy changes to streamline the General Assistance (GA) program. Updates included eliminating restrictive eligibility requirements such as property and asset limits, monthly income reporting, annual recertifications, and reimbursement agreements. These improvements reduced paperwork, shortened intake interviews, accelerated application processing, and extended eligibility for residents unable to work, while making better use of County general fund dollars. Overall, the program is now more equitable, accessible and efficient for both customers and staff.

Health Services

- Completed four years of the innovative Child Life Experiences (CIRCLE) Clinic supporting children and youth. In 2024, the Sacramento County Health Center marked four years of its Comprehensive Integration of Resilience into CIRCLE Clinic, part of the Pediatrics Program at the Primary Care Center on Broadway. This innovative program's multidisciplinary team provides integrated, family-focused, culturally responsive, and trauma-informed care to promote the medical, mental, developmental, and behavioral health of children and youth in foster care or at risk of entering the system.
- Sacramento County Public Health earns national accreditation. Public Health became the 26th local health jurisdiction in California to earn accreditation from the Public Health Accreditation Board. This recognition reflects the department's commitment to improving the health and well-being of residents and providing high-quality public health services. The accreditation process included meeting national public health standards reviewing policies and plans, and a two-day site visit.

Probation

- Launched six Probation Outreach Vehicles utilizing funding from the Mobile Probation Services Center Grant award, including three vans, two pickup trucks, and one utility task vehicle. These vehicles have allowed officers to operate mobile probation service centers, targeting hard to reach areas of the County. These outreach vehicles assist clients, particularly those who are unhoused and struggling, with meeting probation requirements, while providing vital resources.

Financial Information

County management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) choices between these two concepts often require estimates and judgments by management.

The County's accounting records for governmental funds are maintained on the modified accrual basis of accounting. This essentially involves the recording of revenues when they become measurable and available and the recording of expenditures when the goods and services are received and the related liability incurred. Accounting records for the County's Proprietary Funds and Fiduciary Funds are maintained on the accrual basis of accounting.

Single Audit

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The FY 2024-25 Single Audit will be issued under a separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, by March 31, 2026.

Budgeting Controls

In addition to accounting controls, the County maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. The County prepares and adopts a budget for each fiscal year in accordance with the provisions of Sections 29000 through 29144 of the Government Code and other statutory provisions. All County departments are required to submit their annual budget requests for the ensuing year. The County Executive Office reviews each request and a budget is presented to the Board of Supervisors. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

The budget is made available for public inspection through a public notice. On the dates stated in the notice, the Board of Supervisors conducts public hearings on the budget and at the conclusion of the hearings makes a final determination thereon. The budget, which includes the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, is adopted no later than October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures. The following funds are not subject to the California Budget Act, thus do not have a legally adopted budget: 1) Inmate Welfare Special Revenue Fund; 2) Tobacco Securitization Authority of Northern California Debt Service Fund; 3) Sacramento County Public Financing Authority Debt Service Fund; and 4) Improvement Bond Act of 1911 Capital Projects Fund.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled at the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board. During FY 2024-25, amendments were made to the final adopted budget. The budget data reflected in this ACFR includes the effect of all approved budget amendments.

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, Washington supranationals, and U.S. Treasury and Agency investments. The average yield on investments during FY 2024-25 was 4.27 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 4.23 percent.

The County Pooled Investment Fund Policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All collateral on deposits was held either by the County, its agents, or a financial institution's trust department in the County's name.

Risk Management

The County self-insures for liability/property, workers' compensation, unemployment and dental insurance claims. Self-insurance transactions are accounted for in internal service funds. It is the County's policy to fund current self-insurance liabilities for governmental funds by making provisions in the budget of the succeeding year. Proprietary fund premium charges are expensed in the year incurred.

Other Information

Independent Audit - Section 25250 of the Government Code requires an annual audit by independent certified public accountants. The firm of Macias Gini & O'Connell LLP was selected by the County to meet this requirement. The independent auditor's report on the basic financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its annual comprehensive financial reports for each of the last 36 fiscal years since 1988. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance, and the cooperation and assistance of the County Executive Office and all County departments. We would like to commend the Board of Supervisors for its interest, support, and leadership in planning and conducting the financial operations of the County in a responsible and transparent manner.

Respectfully submitted,



Chad Rinde
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

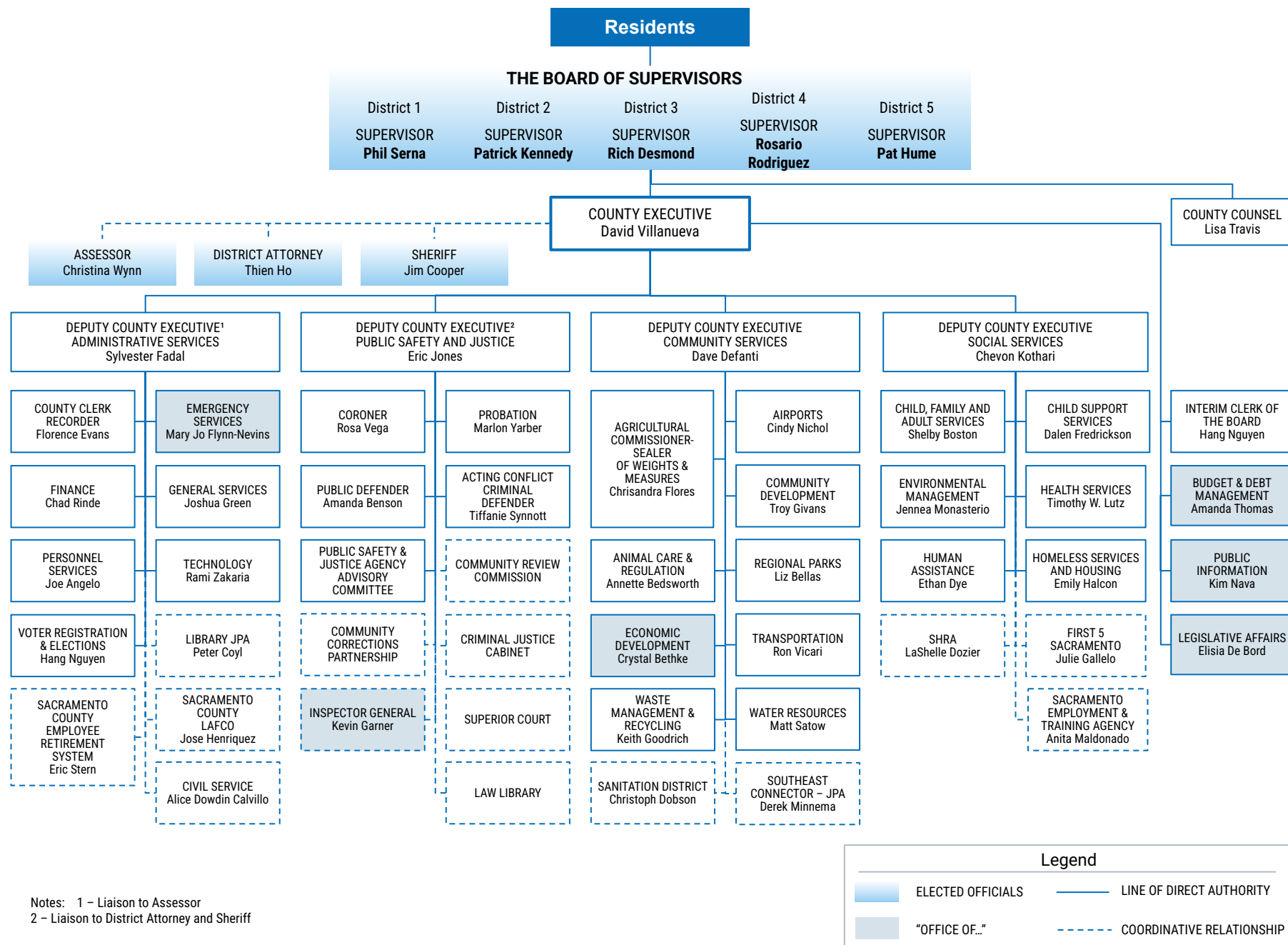
**County of Sacramento
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Notes: 1 – Liaison to Assessor
2 – Liaison to District Attorney and Sheriff

List of Public Officials
June 30, 2025

ELECTED:

Board of Supervisors:

Phil Serna, Chair	District 1
Patrick Kennedy	District 2
Rich Desmond	District 3
Rosario Rodriguez, Vice Chair	District 4
Pat Hume	District 5

Department Heads:

Christina Wynn	Assessor
Thien Ho	District Attorney
Jim Cooper	Sheriff

APPOINTED:

David Villanueva	County Executive
Chad Rinde	Director of Finance



**The Annual Comprehensive Financial Report
for the
County of Sacramento**

For the Fiscal Year Ended June 30, 2025

ACKNOWLEDGEMENT

**Prepared by the County of Sacramento
Department of Finance**

**Chad Rinde, Director of Finance
Mark Aspesi, Deputy Director of Finance
Poonam Aujla, Assistant Auditor-Controller
Sean Stoyanowski, Chief of Financial Reporting and Control
Cynthia Duong, Senior Accounting Manager
Greg Cundari, Accounting Manager
Olga Bachylo, Accounting Manager
Brian Stangland, Senior Accountant
Esther Tan, Senior Accountant
Christopher Meixner, Accountant**



This page intentionally left blank.



FINANCIAL SECTION



This page intentionally left blank.





Independent Auditor's Report

Honorable Board of Supervisors
County of Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sacramento County Employees' Retirement System (SCERS), a fiduciary component unit, which represent 67.9% of the assets and deferred outflows of resources, 69.5% of the fund balances/net position, and 9.3% of the revenues/additions of the aggregate remaining fund information as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SCERS, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Macias Gini & O'Connell LLP
500 Capitol Mall, Suite 2200
Sacramento, CA 95814

www.mgocpa.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the retirement plan - schedule of proportionate share of the net pension liability, the retirement plan - schedule of contributions, and the other postemployment benefits (OPEB) - schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and bond disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Macias Gini & O'Connell LLP

Sacramento, California
November 26, 2025

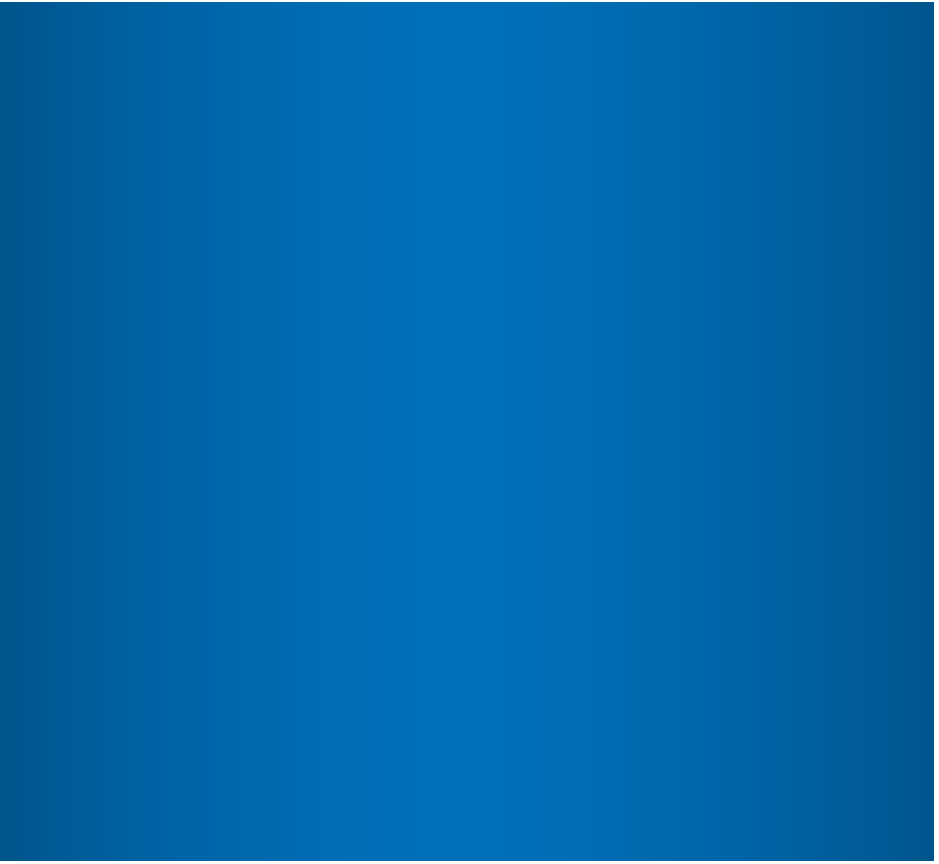


This page intentionally left blank.





Management's Discussion and Analysis





This page intentionally left blank.

Management's Discussion and Analysis (Unaudited)

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) annual comprehensive financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

Financial Highlights

The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year (FY) 2024-25 by \$3,452,506 (net position). Of this amount, \$1,305,555 is restricted for specific purposes (restricted net position), and \$2,983,616 is the County's net investment in capital assets. The County's total net position increased by \$489,995 during the current fiscal year.

As of June 30, 2025, the County governmental funds reported combined fund balances of \$1,455,564 for a decrease of \$19,837, in comparison with the prior fiscal year. Total amounts available for spending include restricted, assigned, and unassigned fund balances, which totaled \$1,419,195 (97.5 percent), of the ending fund balance. Of this amount, \$1,124,265 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund decreased by \$94,119 to \$662,048, which equates to 18.4 percent of total General Fund expenditures for the current fiscal year.

At the end of the fiscal year, assigned fund balance for the General Fund was a positive \$145,828 or 4.1 percent of total General Fund expenditures. Unassigned fund balance was \$149,102 or 4.1 percent of total General Fund expenditures. Restricted fund balance was \$330,749 or 9.2 percent of total General Fund expenditures.

The County's investment in capital assets increased by \$269,452 or 6.0 percent in comparison with June 30, 2024.

The County's total long-term obligations had a net increase of \$567,797 in comparison with June 30, 2024. This net increase was comprised of a decrease of \$374,621 and an increase of \$772,947 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, and Teeter notes. The increase resulted primarily from the additions of compensated absences, Revenue bonds, Teeter note, and loan agreements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all County assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and culture. The business-type activities of the County include the Department of Airports (Airports), Solid Waste, Water Agency, Parking Enterprise and County Transit.

Blended component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and/or that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One; Water Agency; Sacramento County Groundwater Sustainability Agency; Sunrise, Carmichael, and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (Tobacco Authority) is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Tobacco Authority and the County. The liabilities of the Tobacco Authority belong solely to it, and the County is in no way responsible for those liabilities. The Sacramento County Public Financing Authority (PFA) is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the PFA and the County. The liabilities of the PFA belong solely to it, and neither the County nor the Agency are in any way responsible for those liabilities. The Public Facilities Financing Corporation (Corporation) was created by the County for the purpose of facilitating the financing of public projects within the County. For financial reporting purposes leases between the County and the Corporation have been eliminated and the financial data of the Corporation has been included within the County's reporting entity and is accounted for in a debt service fund. The Sacramento County Employees' Retirement System (SCERS) is a public entity legally separate from the County and is considered a fiduciary component unit of the County due to governing board control and financial burden due to employer contributions. The Metro Air Park Enhanced Infrastructure Financing District is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to governing board control. Community Facility Districts (CFD) are also blended component units of the County due to the governing board being substantially the same, and due to a financial benefit from the construction of various assets within the Capital Projects Funds. The debts associated with the CFDs belong to the CFDs, therefore none of the debt is reflected within these Financial Statements. The County also acts as the agent for the property owners in regards to these CFDs, which means the County reports the collection and payments of assessments to the bondholders in Custodial Funds. Examples are Laguna Stonelake CFD No. 1; Laguna Creek Ranch/Elliott Ranch CFD No. 1 Improvement Area No.1 and No.2; and Metro Air Park CFD.

First 5 Sacramento Commission (Commission) is reported as a discretely presented component unit. Although the County Board of Supervisors (Board) has no control over the revenues, budgets, staff or

funding decisions made by the Commission, the appointed Commission members serve at the will of the Board members who appoint them.

The government-wide financial statements can be found on pages 29 - 31 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 42 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements*.

The governmental funds financial statements can be found on pages 32 - 35 of this report. The General Fund statement of revenues, expenditures and changes in fund balance budget and actual statement is found on pages 36 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Airports, Solid Waste, Water Agency, Parking Enterprise, and County Transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability/property self-insurance; telecommunication and information technology support; workers' compensation self-insurance; other self-insurance for unemployment claims and dental claims; regional radio communications; and centralized services provided by the Department of General Services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Airports, Solid Waste and Water Agency operations are considered to be major enterprise funds of the County. The County's six internal service funds are combined into a

single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements*.

The proprietary funds financial statements can be found on pages 37 - 41 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Fiduciary funds report the Pension Trust Fund, Investment Trust Fund, Private-Purpose Trust Fund, and Custodial Funds.

The fiduciary fund financial statements can be found on pages 42 - 43 of this report.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes can be found on pages 47 - 152 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, enterprise, internal service, and custodial funds, and can be found on pages 165 - 253 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,452,506 at the close of the most recent fiscal year (see Condensed Statements of Net Position and analysis on page 11).

The County is allocated a proportion of the Sacramento County Employees' Retirement System (SCERS) pension plan net pension liability. The Net Pension Liability (NPL) is equal to the difference between the total pension liability and the pension plan's fiduciary net position. The pension plan's fiduciary net position includes the fair value of plan investments. The County's proportionate share of the SCERS NPL decreased by \$265,715 in FY 2024-25 to \$1,514,301, primarily due to favorable investment return during the measurement period of FY 2023-24. Deferred outflows and inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, differences between expected and actual experience, and also contributions to the plan made subsequent to the liability's measurement date. Deferred outflows of resources related to pensions decreased by \$187,223 in FY 2024-25 to \$611,463. Deferred inflows of resources related to pensions decreased by \$52,864 in FY 2024-25 to \$88,924.

Governmental activities increased the County's net position by \$301,516, from \$1,008,941 to \$1,310,457 in the current fiscal year. The County's long-term liabilities (excluding pension and OPEB) increased by \$13,979, capital assets increased by \$57,487, and current and other assets decreased by \$37,158. The County's improvement in net pension related items totaled \$126,668 and total OPEB related items improved \$4,869. The changes in capital assets and long-term liabilities are discussed in the Capital Assets and Debt Administration section of the Management's Discussion and Analysis (MD&A).

Business-type activities increased the County's net position by \$188,479 to \$2,142,049 in the current fiscal year. See page 19 for additional comments on changes to enterprise funds net position.

Condensed Statements of Net Position
June 30, 2025 and 2024
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 2,652,774	2,689,932	1,586,501	1,035,118	4,239,275	3,725,050
Capital assets, net of depreciation/ amortization	2,193,337	2,135,850	2,599,616	2,387,651	4,792,953	4,523,501
Total assets	4,846,111	4,825,782	4,186,117	3,422,769	9,032,228	8,248,551
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement	13,103	11,639	16,689	14,056	29,792	25,695
Deferred amounts related to refundings	13,228	14,145	21,074	22,947	34,302	37,092
Deferred outflows related to pensions	580,832	758,470	30,631	40,216	611,463	798,686
Deferred outflows related to OPEB	20,788	24,990	1,244	1,495	22,032	26,485
Total deferred outflows of resources	627,951	809,244	69,638	78,714	697,589	887,958
Liabilities:						
Current and other liabilities	1,003,381	997,611	193,550	168,629	1,196,931	1,166,240
Long-term debt obligations	1,421,031	1,407,052	1,801,375	1,247,557	3,222,406	2,654,609
Net pension liability	1,448,757	1,702,067	65,544	77,949	1,514,301	1,780,016
Total OPEB liability	140,548	136,484	7,729	7,539	148,277	144,023
Total liabilities	4,013,717	4,243,214	2,068,198	1,501,674	6,081,915	5,744,888
Deferred inflows of resources:						
Deferred amounts related to refunding	-	-	2,542	3,114	2,542	3,114
Deferred inflows related to pensions	84,354	135,350	4,570	6,438	88,924	141,788
Deferred inflows related to OPEB	44,426	57,561	2,614	3,425	47,040	60,986
Deferred inflows related to leases	21,108	22,674	35,782	31,074	56,890	53,748
Total deferred inflows of resources	149,888	215,585	45,508	44,051	195,396	259,636
Net position:						
Net investment in capital assets	1,651,940	1,573,696	1,331,676	1,283,253	2,983,616	2,856,949
Restricted	1,070,100	1,057,624	235,455	169,977	1,305,555	1,227,601
Unrestricted	(1,411,583)	(1,455,093)	574,918	502,528	(836,665)	(952,565)
Total net position	\$ 1,310,457	1,176,227	2,142,049	1,955,758	3,452,506	3,131,985

Net Position. The largest portion of the County's net position totaling \$2,983,616, reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, right-to-use assets, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, net of depreciation/amortization and less any related debt used to acquire those assets that is still outstanding). Total net investment in capital assets is comprised of \$1,651,940 for governmental activities and \$1,331,676 for business type activities. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The \$78,244 increase in governmental activities and \$48,423 increase in business type activities in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt. Capital asset additions, net of construction in progress transfers totaled \$563,819, which is comprised of an increase in governmental activities of \$248,191 and \$315,628 in business type. The increase in governmental activities was related primarily to infrastructure (road and storm drainage improvements), additions to equipment, and additions of the right-to-use assets due to new leases and SBITA arrangements. The increase in business type capital assets was primarily caused by Airports due to expansion and renovation of both terminals. Solid Waste improved the Keifer Landfill Liner and Lechate System as well as site improvements to North Area Recovery Station. Water Agency Enterprise Fund completed several structural improvement projects, pipe realignment and meter installation projects. Other business type increases in capital assets can be attributed to additions to equipment and right-to-use assets due to new lease arrangements. Additionally, the County recorded depreciation/amortization of \$277,277 against its assets in the current fiscal year, which is comprised of \$175,343 in governmental activities and \$101,934 in business-type activities.

Another significant portion of the County's net position totaling \$1,305,555 is restricted and represents resources that are subject to external restrictions on how they may be used. The makeup of the restricted net position between governmental activities and business-type activities is \$1,070,100 and \$235,455, respectively. The major categories of restricted net position are bond reserves \$49,855, capital projects \$232,285, health and sanitation programs \$213,525, public protection \$191,946, public assistance \$58,920, passenger facility charges \$74,580, transportation programs \$289,993, economic development programs \$45,541, and general government programs \$35,956. The County's restricted net position increased by \$77,954 from the prior year restricted net position amount of \$1,227,601. The increase in comprised of \$12,476 for governmental activities which is primarily due to timing of revenues and expenses relating to road and roadway projects. Which in turn was offset by decreases in restricted net position relating to public assistance due to increased salary cost, provider payments, and welfare assistance payments. While the business-type activities increased by \$65,478 which is primarily due to increased passenger facility and customer facility charges due to higher passenger counts within the Sacramento international airport. Couple with Debt service restrictions as additional bonds were issued for the construction projects occurring at the airport.

The remaining balance of total net position, a negative \$836,665 is unrestricted, which consist of negative \$1,411,583 for governmental and positive \$574,918 for business type. Unrestricted net position increased by \$115,900 resulting from an increase of \$43,510 in governmental and \$72,390 in business type from the prior year. The increase in Governmental activities unrestricted net position is primarily the result of increased tax revenues from higher sales and use tax from higher consumer spending due to favorable market conditions. The business type increase was primarily due to increased charges for services due to increases in charges for services of \$30.5 million at airports due to higher terminal rents from rate

increases and an increase in concession sales due to more travelers flowing through the airport, and an increase of \$14.8 million in investment earnings due to favorable market conditions and increased cash balances.

The County's total net position increased by \$320,521,995 during the current fiscal year, which results in an increase of 10.2 percent of total net position from the prior year.

Revenues. When compared to the prior year, government-wide revenues increased approximately \$323,881 (7.0 percent), which are increases of \$259,975 in governmental activities and \$63,906 in business-type activities. Program revenues for governmental activities increased by \$199,041 mostly due to an increase in charges for services of \$29,332 (6.1 percent), an increase of operating grants and contributions of \$142,611, and an increase in capital grants and contributions of \$27,098. The increase in charges for services is due to voluminous amount of small increases spanning from various road projects, opioid settlements, and other items, while the increase in operating grants and contributions is due to an increase governmental funding for law enforcement, mental health services, and human assistance services. The gains of capital grants and contributions are primarily due to timing and completion of various road projects. Total program revenues represent 60.4 percent of the County's funding.

General revenues increased by \$75,237 (4.6 percent) which is comprised of a \$60,934 increase in governmental activities and \$14,303 increase in business type activities. These revenues provide the Board of Supervisors with the most discretionary spending ability. Programs such as public assistance, public protection, and health and sanitation consume most of these resources. The increase in general revenues for governmental activities is due primarily to increases in sales and use tax revenue of \$42,300 (24.8 percent), and grants and contributions not restricted to a specific program \$50,267 (8.9 percent) increased due to FEMA reimbursements, and additional funding for human assistance and mental health services not tied to a specific program. These increases were offset by a decrease in unrestricted investment earnings \$14,060 (13.6 percent) due to a lower market performance compared to prior year, as well as decreases in miscellaneous revenues, transient occupancy tax, and property tax. Total general revenues represent 39.6 percent of the County's funding.

Expenses. As a service delivery entity, the County's major cost component is salaries and benefits. When compared to the prior year, government-wide expenses increased by \$316,534 (7.7 percent) which are increases of \$279,068 for governmental activities and \$37,466 for business-type activities. For governmental activities, the following functions provided the most significant increases in expenses in the current year: public protection \$37,904, (3.1 percent); health and sanitation \$135,262 (12.7 percent); and public ways \$22,694 (10.8 percent). These increases are due to changes in payroll cost, road related projects/activities, and increased provider payments for health services and human assistance programs. The table on the following page indicates the changes in net position for governmental and business-type activities.

Analysis of business type revenues and expenses can be found in the enterprise section found starting on page 19 of the MD&A.

Condensed Statements of Activities
For the Fiscal Years Ended June 30, 2025 and 2024
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	\$ 513,768	484,436	593,830	555,376	1,107,598	1,039,812
Operating grants and contributions	2,019,790	1,877,179	9,133	9,184	2,028,923	1,886,363
Capital grants and contributions	39,977	12,879	38,964	27,764	78,941	40,643
General revenue						
Taxes						
Property	694,592	696,152	-	-	694,592	696,152
Transient occupancy	5,071	6,018	-	-	5,071	6,018
Sales and use	212,737	170,437	-	-	212,737	170,437
Unrestricted investment earnings	89,091	103,151	50,833	35,961	139,924	139,112
Grants and contributions not restricted to specific programs	615,343	565,076	-	-	615,343	565,076
Pledged tobacco settlement	12,728	12,954	-	-	12,728	12,954
Miscellaneous	32,723	47,563	-	569	32,723	48,132
Total revenues	<u>4,235,820</u>	<u>3,975,845</u>	<u>692,760</u>	<u>628,854</u>	<u>4,928,580</u>	<u>4,604,699</u>
Expenses:						
General government	235,978	226,792	-	-	235,978	226,792
Public assistance	901,985	818,072	-	-	901,985	818,072
Public protection	1,274,741	1,236,837	-	-	1,274,741	1,236,837
Health and sanitation	1,200,655	1,065,393	-	-	1,200,655	1,065,393
Public ways and facilities	231,980	209,286	-	-	231,980	209,286
Recreation and culture	66,300	63,519	-	-	66,300	63,519
Education	1,345	2,225	-	-	1,345	2,225
Interest and fiscal charges	29,017	40,809	-	-	29,017	40,809
Airports	-	-	285,955	250,383	285,955	250,383
Solid Waste	-	-	131,895	127,890	131,895	127,890
Water Agency	-	-	74,012	75,844	74,012	75,844
Parking Enterprise	-	-	2,480	2,370	2,480	2,370
County Transit	-	-	2,242	2,631	2,242	2,631
Total expenses	<u>3,942,001</u>	<u>3,662,933</u>	<u>496,584</u>	<u>459,118</u>	<u>4,438,585</u>	<u>4,122,051</u>
Changes in net position before transfers	293,819	312,912	196,176	169,736	489,995	482,648
Transfers	7,697	6,057	(7,697)	(6,057)	-	-
Changes in net position	301,516	318,969	188,479	163,679	489,995	482,648
Net position (deficit), beginning of year ^(A)	1,008,941	857,258	1,953,570	1,792,079	2,962,511	2,649,337
Net position, end of year	<u>\$ 1,310,457</u>	<u>1,176,227</u>	<u>2,142,049</u>	<u>1,955,758</u>	<u>3,452,506</u>	<u>3,131,985</u>

A. Fiscal Year 2025 beginning balance was restated for implementation of GASB 101 Compensated Absences

Financial Analysis of the County's Funds

As noted earlier, the County uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are comprised of general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *total fund balance less nonspendable* portion is a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2025, the County's governmental funds reported combined fund balances of \$1,455,564, a decrease of \$19,837 in comparison with the prior year's total ending fund balance of \$1,475,401. The components of total fund balance are as follows (for more information, see Note 18 - Fund Balances):

Nonspendable fund balance, \$36,369, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventories of \$3,228; 2) prepaid items of \$23,478; 3) long-term receivables/advances of \$1,351; 4) legally required Teeter Tax program loss reserves of \$7,574; and 5) Teeter Tax delinquencies of \$738.

Restricted fund balance, \$1,124,265, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation. Examples of restrictions on funds are those for legislated amounts restricted for 1) health and sanitation of \$206,593; 2) capital projects of \$226,789; 3) public ways and facilities of \$285,497; 4) public protection of \$191,806; 5) debt service of \$66,246; 6) economic development of \$45,541; and 7) public assistance \$58,920.

Assigned fund balance, \$145,828, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 97.5 percent, or \$1,419,195, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$36,369, \$1,124,265 is available for appropriation for restricted purposes, \$145,828 is assigned for County Board of Supervisors approved uses, and \$149,102 is unassigned.

The decrease of \$19,837 in the governmental funds combined fund balance is attributable to a decrease in the General Fund totaling \$94,119, offset by increases in special revenue funds totaling \$65,466, \$2,567 in the capital project funds, and \$6,249 in the debt service funds.

The General Fund is the principal operating fund of the County. The General Fund's total fund balance decreased by 12.4 percent, or \$94,119, to \$662,048 at June 30, 2025. The nonspendable portion of fund balance was \$36,369, which is a decrease of \$18,098 from the prior year balance of \$54,467 and the spendable portion was \$625,679, a decrease of \$76,021 from the prior year spendable balance of \$701,700. General Fund revenues increased by \$268,647, while expenditures increased by \$349,672 when compared to FY 2023-24. See analysis beginning on page 16 of significant changes in revenues and expenditures for the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 18.4 percent of total

General Fund expenditures while spendable fund balance equates to 17.4 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$330,749, or 52.9 percent, is restricted.

Other governmental funds: The total fund balances of the remaining governmental funds increased 9.0 percent, or \$74,282, to \$793,516. Other governmental funds revenues increased by \$63,335, while expenditures increased by \$78,814. See analysis beginning below for significant changes in revenues and expenditures for other governmental funds.

Revenues for total governmental funds totaled \$4,265,197 in FY 2024-25, which represents an increase of \$331,982 or 8.4 percent from FY 2023-24.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

**Revenues Classified by Source
Governmental Funds
(amounts expressed in thousands)**

Revenue by Source	FY 2025		FY 2024		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 912,400	21.39%	872,607	22.19%	39,793	4.56%
Use of money and property	86,119	2.02%	101,691	2.59%	(15,572)	(15.31%)
Licenses and permits	78,694	1.85%	82,156	2.09%	(3,462)	(4.21%)
Intergovernmental	2,706,600	63.46%	2,413,586	61.36%	293,014	12.14%
Charges for sales and services	396,328	9.29%	363,312	9.24%	33,016	9.09%
Fines, forfeitures and penalties	39,251	0.92%	38,772	0.99%	479	1.24%
Pledged tobacco settlement	13,082	0.31%	13,790	0.35%	(708)	(5.13%)
Miscellaneous	32,723	0.76%	47,301	1.19%	(14,578)	(30.82%)
Total	\$ 4,265,197	100.00%	3,933,215	100.00%	331,982	8.44%

The following provides an explanation of revenues by source that changed significantly over the prior year:

Taxes increased by \$39.8 million, of which the General Fund had an increase of \$33.9 million. The increase is primarily due to a \$42.2 million increase in sales and use tax revenue due to higher spending. With slight decreases of \$1.0 million in transit occupancy tax and \$1.6 million in property taxes.

Use of money and property decreased by \$15.6 million primarily due to decreased yield in fixed income investment markets and consists of decreases in the General Fund totaling \$16.5 million and increases \$1.0 million for other governmental funds.

Intergovernmental revenues increased by \$293.0 million in FY 2024-25. Intergovernmental revenues for the General Fund increased by \$248.0 million and an increase of \$45.0 million for other governmental funds. The primary reasons for the increase in the General Fund is due to the County recognizing increased revenue from the following services: Proposition 172 for \$1.7 million; 1991 & 2011 Realignment for \$44.2 million; FEMA reimbursement of \$15.6 million for eligible COVID-19 projects, \$22.3 million from Calworks revenues, \$15.7 million in increased Medi-Cal claims, \$46.1 million in increased patient care revenue, the remaining \$102.4 million is comprised of increased revenue received from the state and federal government for various human assistance and health services programs. The increase from other governmental funds is primarily resulting from an increase of \$26.9 million in federal construction related monies due to timing of completed road projects.

Charges for sales and services increased by \$33.0 million. The increase is comprised of an increase of \$18.9 million in the General Fund and an increase of \$14.1 million in other governmental funds. The primary reasons for the increase in the General Fund are the following: \$5.1 million in increased revenue recovery collection fees; \$8.3 million increase in opioid settlement funds, with the remaining \$5.4 million made of voluminous small increase. The primary reasons for the increase in other governmental funds is due to the following: \$2.7 million increase in public work service revenues; and \$3.2 million in water improvement projects; with the remaining \$8.2 million increase caused by voluminous amounts of other charges for services spanning various other governmental funds.

Miscellaneous revenues decreased by \$14.6 million, of which the General Fund had a decrease of \$16.9 million, while the other governmental funds had an increase of \$2.3 million. The General Fund decrease is primarily made of a one time repayment of an interfund loan for \$8.3 million that occurred in prior FY, and a one time clean up of \$5.1 million of opioid settlement revenues. The other governmental funds increase is due to a \$3.4 million reclassification of Metro Airpark revenue coupled with a decrease in various other miscellaneous revenues of \$1.1 million.

Expenditures for governmental funds totaled \$4,382,823 in FY 2024-25, which represents an increase of \$428,486 or 10.8 percent from FY 2023-24. The following table presents expenditures by function compared to prior year amounts:

**Expenditures by Function
Governmental Funds
(amounts expressed in thousands)**

Expenditures by Function	FY 2025		FY 2024		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current						
General government	\$ 205,529	4.69%	226,300	5.71%	(20,771)	(9.18%)
Public assistance	911,646	20.80%	823,922	20.84%	87,724	10.65%
Public protection	1,356,128	30.94%	1,261,983	31.91%	94,145	7.46%
Health and sanitation	1,267,349	28.92%	1,073,048	27.14%	194,301	18.11%
Public ways and facilities	226,624	5.17%	189,480	4.79%	37,144	19.60%
Recreation and culture	65,728	1.50%	61,725	1.56%	4,003	6.49%
Education	1,975	0.05%	1,830	0.05%	145	7.92%
Capital outlay	88,626	2.02%	64,048	1.62%	24,578	38.37%
Debt service						
Principal	213,163	4.86%	199,946	5.06%	13,217	6.61%
Bond issuance costs	272	0.01%	-	-%	272	-%
Interest and fiscal charges	45,783	1.04%	52,055	1.32%	(6,272)	(12.05%)
Total	<u>\$ 4,382,823</u>	<u>100.00%</u>	<u>3,954,337</u>	<u>100.00%</u>	<u>428,486</u>	<u>10.84%</u>

The following provides an explanation of the expenditures by function that changed significantly over the prior year:

Public protection increased by \$94.1 million. The increase is comprised of an increase in the General Fund totaling \$83.5 million and an increase in other governmental funds totaling \$10.6 million. The increase in the General Fund is primarily due to: 1) \$53.8 million increase in salaries and benefits resulting from Cost of Living Adjustments (COLAs) and equity adjustments; 2) \$4.0 million increase in right to use lease expenditure; and 3) \$3.2 million increase in contribution to other agencies. The other governmental funds increase is primarily due to: 1) \$2.5 million increase in salaries and benefits resulting from COLAs and equity adjustments; and 2) \$2.6 million increase in affordability fees contributions to external agencies; and 3) \$1.2 million increase in building expectation cost both of which are due to increased development.

Public assistance increased by \$87.7 million, with all of the increase within the General Fund. The increase is primarily due to: 1) \$8.9 million increase in salaries and benefits resulting from COLAs; 2) \$41.9 million increase in welfare assistance payments; and 3) \$11.8 million increase in provider payments.

Health and sanitation increased by \$194.3 million. The General Fund increase totaled \$152.9 million and other governmental funds increased by \$41.5 million. The increase in the General Fund is primarily attributable to the following: 1) \$20.0 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) \$77.8 million increase in provider payments; and 3) \$28.2 million increase in contracted health services.

Public ways and facilities increased by \$37.1 million with all the increase in other governmental funds. The increase is primarily due to \$36.7 million from completion of work on various road projects.

Capital outlay increased by \$24.5 million all in other governmental funds. The increase in these funds is primarily due to : 1) \$13.3 million increased development cost within the Metro Air Park; 2) \$9.6 million increase capital construction cost for new county assets.

Other financing sources and uses are presented below to illustrate changes from the prior year:

	FY 2025	FY 2024	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 210,048	\$ 204,380	\$ 5,668	2.70%
Transfers out	(190,594)	(186,863)	(3,731)	1.96%
Issuance of long-term debt	77,585	57,133	20,452	26.36%
Premiums on debt issued	750	-	750	100.00%
Total other financing sources (uses)	<u>\$ 97,789</u>	<u>74,650</u>	<u>23,139</u>	<u>23.66%</u>

Transfers in/out: Increase in net transfers is primarily due to increased debt service activity and capital projects.

Issuance of debt: Increase is due to the addition of new series for Carmichael Parks General Obligation Bond, Leases/SBITAs, and the issuance of a Teeter note due to the timing of property tax collections.

Premiums on debt issued/refunding debt issued: during FY 2024-25 Carmichael parks issued a new debt with a premium, while in FY 2023-24 there was no new debt issued.

Enterprise funds. The County's enterprise funds reported an increase in net position totaling \$182.3 million. The following provides an explanation of the operating and nonoperating activities that changed significantly over the prior year:

- Airport operating revenues increased from \$239.0 million to \$269.5 million due to all-time highs in passenger traffic increasing 4.7 percent over the prior year along with increased airline billing rates. Concessions revenue increased \$7.9 million over the previous year from the year-over-year increase in passenger traffic. Airfield charges increased \$8.7 million from landing fees due to a rate increase of 8.5 percent. Building rents increased \$13.8 million from a rate increase of 18.0 percent. Operating expenses increased by \$20.5 million largely due to an increase in services and supplies of \$13.0 million in addition to an increase in depreciation expense of \$4.7 million and payroll expenses of \$3.0 million. Services increased from increased maintenance services along with a new custodial service contract agreed enacted during the fiscal year. Additional increases in service and maintenance costs were related to shuttle bus upkeep, investment services, and consulting. Net nonoperating revenues decreased by \$2.7 million primarily due to a decrease in intergovernmental income of \$4.8 million offset by an increase of \$1.0 million in passenger facility charges related to the increase in passenger traffic and a \$1.9 million increase in customer facility charges due to a rate change during the fiscal year.
- The Solid Waste operating revenues increased from \$139.5 million in FY 2023-24 to \$148.1 million in FY 2024-25, due to an increase of \$5.8 million in commercial program revenues which accounts for the regulation of commercial solid waste and recycling collection by franchised haulers within the incorporated areas of the County of Sacramento based on ordinances approved by the County Board of Supervisors and funded by commercial franchise fees, an increase of \$4.2 million in service charges as residential curbside rates increased 4.11 percent as part of multiyear series of increases approved by the Board of Supervisors starting with FY 2020-21 and extending through FY 2025-2026. Additionally, an increase in tipping fees of \$1.9 million due to an approximately 3.0 percent increase in per ton weighed disposal fees and a greater volume of customers choosing County sites for disposal. The \$2.2 million drop in electricity sales revenue is due to a combination of a drop in market rates for electricity and a drop in production due to the system being down for repairs in FY 2024-25. Operating expenses increased by \$3.3 million due to an increase in payroll costs of \$1.3 million, equipment maintenance of \$2.5 million, and \$2.2 million in contract hauler payments due to less favorable terms included in the latest contract revisions. The \$1.3 million decrease in landfill closure costs was due primarily to more active closure activity performed in FY 2023-24 compared to FY 2024-25 which had very little closure work performed. Net nonoperating revenues (expenses) were relatively flat, experiencing a decrease of \$0.2 million.
- The Water Agency had its operating income decrease from \$68.0 million in FY 2023-24 to \$64.9 million in FY 2024-25. Operating revenues decreased by \$3.4 million due to a decrease of \$9.8 million in capacity fees, offset by an increase of \$6.1 million in water service charges. The decrease in capacity fees is attributed to issuing fewer building permits. 2,561 building permits were issued in FY 2024-25 compared to 2,770 permits issued in FY 2023-24. The Water Agency added 2,111 new customers in FY 2024-25, as well as implemented a 17.0 percent rate increase for water service charges effective from November 1, 2024, leading to an increase in water service charges. Operating expenses decreased by \$0.3 million mainly due to an increase of \$1.7 million in depreciation and amortization costs were offset by a decrease of \$2.4 million in services and supplies. Most of the decrease in service and supplies was driven by a decrease in demand for services from other departments. Net nonoperating revenues (expenses) increased by \$5.0 million, largely a result of receiving a \$3.1 million

grant for the Poppy Ridge Groundwater Treatment Plant. The Water Agency also had an increase of \$1.1 million due to the increase in the fair market value of investments..

The table below shows actual revenues, expenses and results of operations for the current fiscal year:

Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
(amounts expressed in thousands)

	Major Enterprise Funds			Nonmajor Enterprise Funds		
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit	Total
Operating revenues	\$ 269,508	148,111	126,639	2,461	135	546,854
Operating expenses	(240,462)	(132,034)	(61,719)	(2,588)	(2,246)	(439,049)
Operating income (loss)	29,046	16,077	64,920	(127)	(2,111)	107,805
Nonoperating revenues (expenses)	35,403	3,005	3,484	384	3,149	45,425
Income (loss) before capital contributions and transfers	64,449	19,082	68,404	257	1,038	153,230
Transfers in (out)	(3,170)	(3,073)	(1,428)	(26)	-	(7,697)
Capital contributions	26,641	2,700	9,265	-	358	38,964
Changes in net position	\$ 87,920	18,709	76,241	231	1,396	184,497

General Fund Budgetary Highlights

Differences between the original budget and the final budget resulted in a \$193.9 million increase in budgeted expenditures. The increase is primarily due to additional capital investments, higher public assistance caseloads, enhanced funding for homelessness and behavioral health initiatives, greater operational demands in public protection, and a range of other budgetary adjustments. Changes are briefly summarized below:

General Government: Increased by \$15.7 million due primarily to increased investments in capital projects offset by contingency releases to fund operational needs.

Public Assistance: Increased by \$65.0 million primarily due to rising caseloads in various public assistance programs, and the implementation multiple housing projects.

Public Protection: Increased by \$35.4 million primarily due to various equipment purchases and staffing expenses in the Sheriff's budget, increased cost for inmate health and behavioral services, and the rebudgeting of unspent prior-year fund balances across several restricted revenue accounts.

Health and Sanitation: Increased by \$79.3 million primarily due to increases in Behavioral Health treatment initiatives, including enhanced residential substance abuse treatment programs and housing support, and the rebudgeting of child and family support programming.

Recreation and Culture: Increased by \$0.8 million primarily due to new capital investment in the Golf program.

Actual revenues in the General Fund were \$60.0 million less than the final budgetary estimates. This shortfall was primarily due to a \$58.0 million decrease in intergovernmental revenue, including under-collections in Patient Care revenue caused by slow program implementation and prior-year recoupments. Additionally, various federal and state revenues declined due to reduced eligible expenditures stemming from program timing issues and challenges in filling positions. Miscellaneous revenue was also under-collected by \$29.2 million, mainly due to the reclassification of previously received grant funds that will

be recognized as expenditures are incurred. License and permits revenue fell short by \$0.8 million. These under-collections were partially offset by a net \$7.7 million over-collection in property and sales tax revenues, driven by an increase in utility user tax; a \$15.6 million over-collection in Uses of Money and Property revenues, largely due to a higher- than-expected cash pool and interest rates; a net \$3.7 million over-collection in charges for services and sales across several departments; and a \$1.0 million over-collection in fines, forfeitures, and penalties.

Actual expenditures were \$265.0 million less than final budgetary estimates. Expenditures less than budget were due to lower than anticipated program costs across several areas: general government (\$10.5 million), public assistance (\$54.8 million), public protection (\$43.6 million), and health and sanitation (\$153.9 million). The primary factors contributing to these under-expenditures included delays in program and project implementation, challenges in staffing positions, and unused contingency appropriations within several restricted revenue budgets.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounted to \$4,792,953, net of accumulated depreciation/amortization. This investment in capital assets includes land and easements, leases, SBITA, computer software and other intangibles, water facility rights, infrastructure, buildings and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current year was 6.0 percent when compared to the prior year net investment in capital assets.

Capital assets, net of accumulated depreciation/amortization, for the governmental and business-type activities are presented on the next page to illustrate changes from the prior year:

Schedule of Capital Assets (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent of Change
	2025	2024	2025	2024	2025	2024	
Nondepreciable:							
Land	\$ 136,369	135,677	135,176	135,737	271,545	271,414	0.05%
Construction in progress	64,499	59,720	388,766	231,739	453,265	291,459	55.52%
Permanent easement	22,773	22,964	62	57	22,835	23,021	(0.81%)
Water facility rights	-	-	200,692	200,692	200,692	200,692	-%
Other intangibles	-	-	1,904	1,904	1,904	1,904	-%
Intangible assets under project	66	66	-	-	66	66	-%
Depreciable/amortizable:							
Buildings and improvements	330,725	323,253	1,530,479	1,545,615	1,861,204	1,868,868	(0.41%)
Infrastructure	1,258,929	1,205,013	262,760	202,680	1,521,689	1,407,693	8.10%
Equipment	112,369	110,407	66,335	51,897	178,704	162,304	10.10%
Computer software	5,874	2,502	185	244	6,059	2,746	120.65%
Water facility rights	-	-	662	691	662	691	(4.20%)
Intangible right-to-use lease buildings	242,061	265,007	3,853	4,502	245,914	269,509	(8.75%)
Intangible right-to-use lease equipment	35	86	8,356	11,393	8,391	11,479	(26.90%)
Intangible right-to-use subscription-based IT arrangements	19,637	11,155	386	500	20,023	11,655	71.80%
Total	<u>\$ 2,193,337</u>	<u>\$ 2,135,850</u>	<u>2,599,616</u>	<u>2,387,651</u>	<u>4,792,953</u>	<u>4,523,501</u>	5.96%

The following provides an explanation of significant changes in capital assets:

- Buildings and improvements:** Decreased in total by approximately \$7.6 million. This is due to increases in completed projects in governmental funds of \$22.0 million, which included \$5.2 million constructing the Grantland L. Johnson DHHS Center Sanctioned Homeless Encampment, \$5.0 million to replace the fire alarm system and other miscellaneous improvements at Rio Consumes Correctional Center, \$2.8 million for restoring fire tank storage capabilities, plumbing updates, and expanding the indoor recreation area at the Sacramento County Main Jail, \$1.2 million at Mather Community Campus for new roofs and fall protection, \$1.0 million for ADA updates at Paul F. Horn Primary Care Center, and \$6.8 million in other various projects. Airports capitalized \$79.3 million in project costs; \$21.9 million for expanding the economy parking lot at Sacramento International Airport (SMF), \$15.6 million upgrading the Terminal B baggage handling system, \$10.2 million for restroom upgrades at Terminal A, \$8.4 million widening Lindbergh Drive to improve SMF access, \$6.3 million improving the fuel farm and fire station at Mather Airport, \$3.6 million for SMF paging system updates, \$3.0 million to extend Elkhorn Boulevard around SMF, \$2.0 million improving the cell phone parking lot at SMF, \$1.9 million in miscellaneous Terminal B improvements, \$1.9 million to improve the Franklin Field aircraft parking apron, \$1.9 million in server upgrades at Terminal A, \$1.2 million to expand the East Vault Bus Lot at SMF, and \$1.4 million in other various projects. Solid Waste completed \$14.4 million in project costs; \$12.2 million in improving the Keifer Landfill Liner and Leachate system, \$1.2 million in North Area Recovery Station entrance and scale improvements, and \$1.0 million in other various projects. The Water Agency Enterprise Fund capitalized \$25.8 million in construction projects; \$15.9 million in contributed capital from developers consisting of hydrants, gate valves, butterfly valves, pipes, and meters and \$9.9 million in other various projects. The increases were offset by depreciation of \$14.6 million in governmental funds, \$56.4 million in Airports, \$4.4 million in Solid Waste, and \$17.2 million in the Water Agency Enterprise Fund, and a \$56.5 million cost reclassification to Infrastructure in the Water Agency Enterprise Fund.
- Infrastructure:** Increased in total by approximately \$114.0 million. This is due to the completion of several large-scale road system projects totaling \$112.9 million and storm drainage improvements of \$10.3 million. The roadway costs incurred included the following community facility districts: Florin Vineyard, North Vineyard Station, and Metro Air Park. The Water Agency Enterprise Fund increased by \$66.4 million, mainly attributable to a \$56.5 million reclassification of previously capitalized assets from Buildings to Infrastructure, \$4.1 million additions in the Power Inn Area, \$1.0 million in the North Douglas District, and \$4.8 million in other various areas in the County. These increases were offset by depreciation of \$69.3 million for governmental activities and \$6.3 million for the Water Agency Enterprise Fund.
- Construction in progress:** Increased in total by approximately \$161.8 million. This is due to increases in construction projects totaling \$44.2 million for governmental activities, \$174.2 million for Airports, \$22.6 million for Solid Waste, and \$68.3 million for Water Agency Enterprise Fund. A combination of decreases in governmental fund projects being capitalized to building costs and infrastructure of \$39.4 million, as well as decreases in other projects being capitalized to building costs and infrastructure for Airports of \$67.1 million, \$26.7 million for the Water Agency Enterprise Fund, and \$14.3 million for Solid Waste. More details can be found in the section below related to construction of capital projects.
- Computer Software:** Increased by approximately \$3.3 million. The increase is primarily attributable to \$0.5 million in various new governmental fund purchases, \$4.5 million in new software acquisitions and system upgrades managed by the Department of Technology, including \$1.7 million for M365 implementation, \$1.0 million for Palo Alto Networks Advanced Wildfire, and \$1.8 million in

other various purchases. Decreases due to depreciation were as follows: governmental activities for \$0.4 million, Department of Technology for \$1.2 million, and Airports for \$0.1 million.

Equipment: Increased in total by approximately \$16.4 million. This is due to increases in governmental funds of \$12.7 million, which included \$7.8 million to improve several Sacramento County Sheriff Divisions, \$1.1 million in forensic lab improvements for the District Attorney office, and \$3.8 million in other various purchases. General Services purchased additional fleet vehicles for \$17.0 million, \$3.5 million in Department Technology upgrades to storage and server capacity, and \$0.5 million for Regional Radio Communication system upgrades. Additions in equipment to Airports was for \$12.0 million, which included \$2.7 million in vehicle purchases, \$8.5 million to purchase new E-Z Rider II Buses, and \$0.8 million in other various purchases. Solid Waste was for \$13.7 million, which included \$12.4 million in purchases for new waste pickup trucks and \$1.3 million for other various vehicle purchases. Additions to the Water Agency Enterprise Fund include \$0.8 million in vehicle purchases. Decreases were due to depreciation were as follows: governmental activities for \$6.5 million, General Services for \$13.6 million, Regional Radio Communications System for \$2.1 million, Department of Technology for \$9.5 million, Airports for \$5.8 million, Solid Waste for \$5.6 million, Water Agency Fund for \$0.3 million, County Transit for \$0.3 million, and Parking Enterprise for \$0.1 million.

- Right-to-use lease assets: Decreased in total by approximately \$26.7 million. This is due to increases in governmental funds for new building leases totaling \$14.9 million; \$4.9 million in leases for Department of Health Services to maintain its current location, \$3.2 million for the Office of Development and Code Services for additional office space in a new building, \$2.3 million for Public Defender to expand services, \$2.1 million for Personnel Services to relocate existing services, \$1.3 million for the Sheriff to expand services, and \$1.1 million in other various building leases. Solid Waste increased by \$1.5 million in vehicle leases. These increases were offset by depreciation expenses totaling \$37.9 million in governmental activities and \$5.2 million in Solid Waste.
- Right-to-use subscription-based IT arrangements: Increased in total by approximately \$8.4 million. This is due to an increase in governmental fund SBITA arrangements of \$17.0 million which include a \$16.4 million agreement for CalMHSA and Streamline Healthcare systems, which support enterprise software, cybersecurity, and behavioral health program operations for the Department of Health Services and \$0.6 million in other various arrangements. Airports SBITA assets increased by \$0.1 million due to an agreement enhancing parking garage software functionality. These additions were offset by amortization of governmental activities for \$8.4 million, Airports for \$0.1 million, Water Agency Enterprise Fund for \$0.1 million and Parking Enterprise for \$0.1 million.

Additional information on the County's capital assets can be found in Note 5 on pages 93-94.

The County has entered into several agreements related to the construction of capital projects. The governmental funds had \$44.2 million in various improvement projects throughout the County. This included \$10.5 million in the Watt Avenue Safe Stay Project, \$6.4 million in Stormwater Improvements, \$3.0 million for various County road projects, \$3.6 million in Rio Consumes Correctional Center improvements including washroom & kitchen upgrades and a roof replacement, \$3.6 million in Youth Detention Facility Courtyard, HVAC, and alarm system improvements, \$2.6 million in Sacramento Main Jail refrigeration, recreation room, and storage tank improvements, \$1.9 million for new roof installations to multiple Mather Community Campus buildings, \$1.8 million in restroom updates and carpet installation at Bradshaw Administrative Building, \$1.7 million for the Warren E. Thornton Youth Center facility remodel, \$1.1 million for the Paul F. Horn Primary Care Center ADA and fireproofing improvements, and \$8.0 million in other various projects throughout the County. Airports has \$174.2 million in improvements, \$88.5 million for

the Sacramento International Airport (SMF) Terminal B Parking Garage, \$59.0 million for SMF Concourse B Expansion, \$19.6 million for Mather Airport runway rehabilitation, \$7.0 million to install an integrated parking management system at SMF, \$2.7 million to add two new gates at Terminal B and one gate at Terminal A at SMF, \$2.3 million in SMF Paging System upgrades, and \$2.0 million for Aircraft parking apron rehabilitation offset by a \$6.9 million reduction for completing the SMF Material Testing Laboratory. The Water Agency Enterprise Fund had \$68.3 million in agreements related to the construction of capital projects, which includes \$50.8 million related to the Arden Service Area Pipe & Meter, \$7.5 million for Mather Tank Seismic Retrofit, \$2.7 million in transmission maintenance, \$1.7 million for Poppy Ridge Water Treatment Plant, \$1.4 million for Las Cruces outflow & drainage improvements, \$1.4 million in well rehab projects, and \$2.8 million for other various construction projects. Solid Waste had projects totaling \$22.6 million, \$18.3 million related to site improvements at North Area Recovery Station, \$2.1 million for Kiefer Landfill liner and ancillary features, and \$2.2 million in other various construction projects.

Construction contract commitments as of June 30, 2025 for governmental and business-type activities were \$185.5 million and \$379.8 million, respectively.

Debt Administration. At June 30, 2025, the County's governmental activities had long-term obligations totaling \$1.4 billion. Of this amount, \$86.8 million are certificates of participation, \$236.6 million are revenue bonds for the securitization of the tobacco settlement agreement and revenue bonds issued by the Public Financing Authority to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento with associated accreted interest totaling \$15.2 million, and \$54.2 million as litigation liability. Other significant long-term obligations include \$34.0 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$21.5 million in general obligation bonds, \$179.7 million in direct placement bonds, and \$129.0 million in pension obligation bonds. In addition, compensated absences amounted to \$327.6 million, financing obligations were \$16.6 million, lease liabilities were \$259.4 million, SBITA liabilities were \$19.8 million and a net premium/discount of \$38.6 million on bonds issued. The remaining represents various other debt obligations.

Business-type activities had long-term obligations of approximately \$1.8 billion. This includes \$1.3 billion of Airports and Water Agency revenue bonds; \$342.7 million relating to revenue bond premiums, Airports PFC and subordinate debt, and Sacramento County Water Agency reimbursement agreements and water rights, \$81.2 million in loan agreements relating to Water Agency Arden service area distribution system pipe realignment and meter installation project costs and \$33.8 million to fund a new building and improvements for Solid Waste. In addition, compensated absences amounted to \$22.2 million, financing obligations were \$6.7 million, lease liabilities were \$12.7 million. The remaining represents various other debt obligations.

For the fiscal year ended June 30, 2025, the County's total long-term obligations had a net increase of \$567.8 million. The net increase is primarily a result of an increase in revenue bonds and associated accreted interest in the amount of \$427.9 million, a net increase in compensated absences of \$178.3 million due to implementation of GASB 101, a net increase of \$80.6 million in loan agreements, a net increase in unamortized amounts of \$56.4 million, a net increase of \$11.5 million in general obligation bonds, a net increase of \$8.7 million in SBITA liabilities, and a net increase of \$6.0 million in teeter notes. The increases were offset by scheduled principal retirements of pension obligation bonds and associated accreted interest in the amount of \$124.0 million, a net decrease in lease liability of \$23.1 million, a decrease of \$20.0 million to a revolving line of credit agreement, a decrease of \$11.5 million in certificates of participation, a decrease in financed purchase obligations of \$9.2 million, a reduction of PFC & subordinate bonds revenue bonds of \$6.6 million, and a litigation liability payment of \$5.9 million.

Long-term debt for the governmental and business-type activities are presented on the next page to illustrate changes from the prior year:

Schedule of Long-Term Debt
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2025	2024	2025	2024	2025	2024	Amount	Percent
Governmental activities:								
Compensated absences	\$ 327,590	160,921	22,185	10,577	349,775	171,498	178,277	103.95%
General obligation bonds	21,510	10,000	-	-	21,510	10,000	11,510	115.10%
Certificates of participation	86,751	98,284	-	-	86,751	98,284	(11,533)	(11.73%)
Teeter notes	34,034	28,034	-	-	34,034	28,034	6,000	21.40%
Pension obligation bonds	128,975	252,960	-	-	128,975	252,960	(123,985)	(49.01%)
Direct placement bonds	179,655	180,335	-	-	179,655	180,335	(680)	(0.38%)
Revenue bonds	236,588	247,351	1,301,120	865,245	1,537,708	1,112,596	425,112	38.21%
Accreted interest	15,248	12,491	-	-	15,248	12,491	2,757	22.07%
Other long-term debt	2,156	2,358	-	-	2,156	2,358	(202)	(8.57%)
Litigation liability	54,178	60,093	-	-	54,178	60,093	(5,915)	(9.84%)
Financed purchase obligations	16,542	24,196	6,722	8,253	23,264	32,449	(9,185)	(28.31%)
Loan agreements	-	-	115,017	34,414	115,017	34,414	80,603	234.22%
Revolving line of credit agreement	-	-	26	20,026	26	20,026	(20,000)	(99.87%)
Lease liability	259,413	278,979	12,671	16,224	272,084	295,203	(23,119)	(7.83%)
SBITA liability	19,750	10,970	296	425	20,046	11,395	8,651	75.92%
Unamortized amounts								
Issuance premiums	39,059	40,689	147,173	89,300	186,232	129,989	56,243	43.27%
Issuance discounts	(418)	(609)	-	-	(418)	(609)	191	(31.36%)
PFC and subordinate revenue bonds	-	-	195,510	202,110	195,510	202,110	(6,600)	(3.27%)
Reimbursement agreements	-	-	655	983	655	983	(328)	(33.37%)
	<u>\$ 1,421,031</u>	<u>\$ 1,407,052</u>	<u>1,801,375</u>	<u>\$ 1,247,557</u>	<u>3,222,406</u>	<u>2,654,609</u>	<u>567,797</u>	<u>21.39%</u>

Additional information regarding the County's long-term debt can be found in Note 8 starting on page 100.

On July 15, 2024 Fitch Ratings upgraded the following:

- Pension Obligation bonds, Series 2008 rating from "A-" to "AA-"
- Pension Obligation Bonds, Series 2011B rating from "A-" to "AA-"
- Pension Obligation Bonds, Series 2013 rating from "A-" to "AA-"
- Issues Default Rating from "A" to "AA-"

Economic Factors and Next Year's Budget and Rates

Five major sources of revenue generated from the performance of the economy are:


- Property tax revenue from all sources (secured, unsecured, delinquent, in lieu of Vehicle License Fee, supplemental), budgeted for FY 2025-26 in the amount of \$660,991 in property tax revenues, which is an increase of \$30,268 (4.8%) from the FY 2024-25 Adopted Budget and an increase of \$32,779 (5.2%) from the FY 2024-25 Actuals

- Sales and use tax revenue budgeted for FY 2025-26 in the amount of \$148,002 in sales and use tax revenues, which is an increase of \$4,779 (3.3%) from the FY 2024-25 Adopted Budget and a decrease of \$24,490 (14.2%) from the FY 2024-25 Actuals.
- Utility user tax revenue budgeted for FY 2025-26 in the amount of \$22,308 is projected to increase from the FY 2024-25 Adopted Budget by \$2,178 (10.8 percent). The FY 2025-26 projection is a \$650 (2.8 percent) increase from the FY 2024-25 actual level.
- Proposition 172 revenue budgeted for FY 2025-26 in the amount of \$175,204 is projected to increase from the FY 2024-25 Adopted Budget by \$2,176 (1.3 percent). The FY 2025-26 projection is a \$4,199 (1.4 percent) increase from the FY 2024-25 actual level.
- Non-CalWORKS Realignment revenue budgeted for FY 2025-26 in the amount of \$643,399 is projected to increase from the FY 2024-25 Adopted Budget by \$6,777 (1.1 percent). The FY 2025-26 projection is a \$6,070 (1.0 percent) decrease from the FY 2024-25 actual level.


The County received \$301 million of ARPA funding across FY 2020-21 and FY 2021-22 with \$221 million having been expended as of June 30, 2025. The remaining ARPA funding of \$80 million will be expended on qualifying purposes by December 31, 2026.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Sacramento, Department of Finance, 700 H Street, Room 3650, Sacramento, CA 95814 or at Finance-Director@saccounty.gov.



Basic Financial Statements





This page intentionally left blank.

**Government-Wide
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Page 1 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Assets:				
Current assets:				
Cash and investments	\$ 1,880,732	564,242	2,444,974	18,299
Restricted cash and investments	-	111,303	111,303	-
Receivables, net of allowance for uncollectibles:				
Billed	73,317	44,279	117,596	2
Interest	36,429	16,681	53,110	-
Intergovernmental	526,056	14,193	540,249	3,204
Leases	1,864	6,296	8,160	-
Prepaid items	24,216	7,188	31,404	-
Internal balances	(62,887)	62,887	-	-
Inventories	5,935	880	6,815	-
Total current assets	2,485,662	827,949	3,313,611	21,505
Noncurrent assets:				
Restricted assets	-	727,301	727,301	-
Loan receivable from County Successor Agency	46,620	-	46,620	-
Loan receivable from City Successor Agency	3,086	-	3,086	-
Long-term receivables	70,806	-	70,806	-
Long-term receivable, leases	20,574	30,973	51,547	-
Prepaid items	26,026	278	26,304	-
Capital assets:				
Land and other nondepreciable assets	223,707	726,600	950,307	-
Buildings and improvements, infrastructure, equipment and intangibles, net	1,969,630	1,873,016	3,842,646	390
Total capital assets, net	2,193,337	2,599,616	4,792,953	390
Total noncurrent assets	2,360,449	3,358,168	5,718,617	390
Total assets	4,846,111	4,186,117	9,032,228	21,895
Deferred outflows of resources:				
Accumulated decrease in fair value of swap agreements	13,103	16,689	29,792	-
Deferred amounts related to refunding	13,228	21,074	34,302	-
Deferred outflows related to pensions	580,832	30,631	611,463	661
Deferred outflows related to OPEB	20,788	1,244	22,032	26
Total deferred outflows of resources	627,951	69,638	697,589	687
Total assets and deferred outflows of resources	5,474,062	4,255,755	9,729,817	22,582

The notes to the basic financial statements are an integral part of this statement.

**Government-Wide
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Liabilities:				
Current liabilities:				
Warrants payable	\$ 34,791	5,042	39,833	-
Accrued liabilities	289,101	56,216	345,317	2,687
Intergovernmental payable	67,008	14	67,022	1,295
Accrued interest payable	6,738	-	6,738	-
Current portion of insurance claims payable	51,091	-	51,091	-
Current portion of long-term debt obligations	397,556	60,648	458,204	483
Current liabilities payable from restricted assets	-	63,533	63,533	-
Unearned revenues	298,153	5,933	304,086	-
Total current liabilities	1,144,438	191,386	1,335,824	4,465
Noncurrent liabilities:				
Insurance claims payable	243,396	-	243,396	-
Long-term debt obligations	1,023,475	1,740,727	2,764,202	520
Derivative instrument liability	13,103	16,689	29,792	-
Landfill closure and postclosure care	-	41,209	41,209	-
Other long-term liabilities	-	4,914	4,914	-
Net pension liability	1,448,757	65,544	1,514,301	1,419
Total OPEB liability	140,548	7,729	148,277	128
Total noncurrent liabilities	2,869,279	1,876,812	4,746,091	2,067
Total liabilities	4,013,717	2,068,198	6,081,915	6,532
Deferred inflows of resources:				
Deferred inflows related to refunding	-	2,542	2,542	-
Deferred inflows related to pensions	84,354	4,570	88,924	156
Deferred inflows related to OPEB	44,426	2,614	47,040	50
Deferred inflows related to leases	21,108	35,782	56,890	-
Total deferred inflows of resources	149,888	45,508	195,396	206
Total liabilities and deferred inflows of resources	4,163,605	2,113,706	6,277,311	6,738
Net position:				
Net investment in capital assets	\$ 1,651,940	1,331,676	2,983,616	(44)
Restricted for				
Bond reserves	-	49,855	49,855	-
Landfill closure	-	12,031	12,031	-
Kiefer Wetlands Preserve	-	1,291	1,291	-
Debt service	-	30,857	30,857	-
Passenger facility charges	-	74,580	74,580	-
Customer facility charges	-	56,160	56,160	-
Capital projects	229,754	2,531	232,285	-
Public protection	191,946	-	191,946	-
Public assistance	58,920	-	58,920	-
Health and sanitation programs	213,525	-	213,525	-
Transportation	287,308	2,685	289,993	-
Lighting and landscape maintenance	7,150	-	7,150	-
Economic development	45,541	-	45,541	-
Other	35,956	-	35,956	-
Endowments				
Expendable	-	436	436	-
Nonexpendable	-	5,029	5,029	-
Unrestricted	(1,411,583)	574,918	(836,665)	15,888
Total net position	\$ 1,310,457	2,142,049	3,452,506	15,844

The notes to the basic financial statements are an integral part of this statement.

**Government-Wide
Statement of Activities
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

Function/Programs	Primary Government						Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
					Governmental Activities	Business-type Activities	First 5 Commission
Primary government							
Governmental activities:							
General government	\$ 235,978	123,727	17,356	-	(94,895)	-	(94,895)
Public assistance	901,985	240	893,254	-	(8,491)	-	(8,491)
Public protection	1,274,741	203,439	165,825	3,007	(902,470)	-	(902,470)
Health and sanitation	1,200,655	48,282	846,279	77	(306,017)	-	(306,017)
Public ways and facilities	231,980	123,904	95,324	36,893	24,141	-	24,141
Recreation and culture	66,300	14,176	1,752	-	(50,372)	-	(50,372)
Education	1,345	-	-	-	(1,345)	-	(1,345)
Interest and fiscal charges	29,017	-	-	-	(29,017)	-	(29,017)
Total governmental activities	3,942,001	513,768	2,019,790	39,977	(1,368,466)	-	(1,368,466)
Business-type activities:							
Airports	285,955	316,484	1,101	26,641	-	58,271	58,271
Solid waste	131,895	148,111	1,921	2,700	-	20,837	20,837
Water agency	74,012	126,639	3,063	9,265	-	64,955	64,955
Parking enterprise	2,480	2,461	-	-	-	(19)	(19)
County transit	2,242	135	3,048	358	-	1,299	1,299
Total business-type activities	496,584	593,830	9,133	38,964	-	145,343	145,343
Total primary government	\$ 4,438,585	1,107,598	2,028,923	78,941	(1,368,466)	145,343	(1,223,123)
Component unit							
First 5 Commission	\$ 19,079	-	16,388	-	-	-	(2,691)
General Revenues:							
Taxes							
Property taxes					694,592	-	694,592
Transient occupancy					5,071	-	5,071
Sales/Use taxes					212,737	-	212,737
Unrestricted investment earnings					89,091	50,833	139,924
Grants and contributions not restricted to specific programs					615,343	-	615,343
Pledged tobacco settlement					12,728	-	12,728
Miscellaneous					32,723	-	32,723
Transfers					7,697	(7,697)	-
Total general revenues and transfers					1,669,982	43,136	1,713,118
Changes in net position					301,516	188,479	489,995
Net position, beginning of year					1,176,227	1,955,758	3,131,985
Restatements					(167,286)	(2,188)	(169,474)
Net position, beginning of year, restated					1,008,941	1,953,570	2,962,511
Net position, end of year					\$ 1,310,457	2,142,049	3,452,506

The notes to the basic financial statements are an integral part of this statement.

**Governmental Funds
Balance Sheet
June 30, 2025
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 674,241	776,968	1,451,209
Receivables, net of allowance for uncollectibles:			
Billed	49,249	24,065	73,314
Interest	18,684	17,474	36,158
Intergovernmental	493,201	32,675	525,876
Leases	230	1,538	1,768
Prepaid items	23,478	-	23,478
Inventories	3,228	-	3,228
Loan receivable from County Successor Agency	-	46,620	46,620
Loan receivable from City Successor Agency	-	3,086	3,086
Long-term receivables, other	25,790	44,898	70,688
Long-term receivable, leases	5,681	14,698	20,379
Total assets	<u>\$ 1,293,782</u>	<u>962,022</u>	<u>2,255,804</u>
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Warrants payable	\$ 19,338	9,085	28,423
Accrued liabilities	223,666	50,572	274,238
Intergovernmental payable	36,080	30,928	67,008
Unearned revenues	289,234	972	290,206
Total liabilities	<u>568,318</u>	<u>91,557</u>	<u>659,875</u>
Deferred inflows of resources:			
Deferred inflows relating to unavailable revenues	57,764	61,787	119,551
Deferred inflows related to leases	5,652	15,162	20,814
Total deferred inflows of resources	<u>63,416</u>	<u>76,949</u>	<u>140,365</u>
Fund balances:			
Nonspendable	36,369	-	36,369
Restricted	330,749	793,516	1,124,265
Assigned	145,828	-	145,828
Unassigned	149,102	-	149,102
Total fund balances	<u>662,048</u>	<u>793,516</u>	<u>1,455,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,293,782</u>	<u>962,022</u>	<u>2,255,804</u>

The notes to the basic financial statements are an integral part of this statement.

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Fund balances - total governmental funds	\$ 1,455,564
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not current financial resources, and therefore, are not reported in the funds.	2,102,719
Accrued interest payable is not reported in the funds.	(6,738)
Prepaid bond insurance and prepaid expenditures relating to SBITA assets of the governmental activities are not current financial resources, and therefore, are not reported in the funds.	25,965
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred amounts related to refunding, are not due and payable in the current period nor represent current financial resources, and therefore, are not reported in the funds.	(1,363,774)
Total OPEB liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(154,250)
Net pension liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(909,620)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as unavailable revenues in the funds.	119,551
Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications, and department of technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement net position.	41,040
Net position of governmental activities	<u>\$ 1,310,457</u>

The notes to the basic financial statements are an integral part of this statement.

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 838,018	74,382	912,400
Use of money and property	46,565	39,554	86,119
Licenses and permits	11,376	67,318	78,694
Intergovernmental	2,513,130	193,470	2,706,600
Charges for sales and services	160,281	236,047	396,328
Fines, forfeitures and penalties	22,930	16,321	39,251
Pledged tobacco settlement	-	13,082	13,082
Miscellaneous	20,414	12,309	32,723
Total revenues	<u>3,612,714</u>	<u>652,483</u>	<u>4,265,197</u>
Expenditures:			
Current			
General government	177,494	28,035	205,529
Public assistance	911,646	-	911,646
Public protection	1,241,880	114,248	1,356,128
Health and sanitation	1,188,064	79,285	1,267,349
Public ways and facilities	-	226,624	226,624
Recreation and culture	39,329	26,399	65,728
Education	584	1,391	1,975
Capital outlay	-	88,626	88,626
Debt service			
Principal	36,315	176,848	213,163
Bond issuance costs	-	272	272
Interest and fiscal charges	4,944	40,839	45,783
Total expenditures	<u>3,600,256</u>	<u>782,567</u>	<u>4,382,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,458</u>	<u>(130,084)</u>	<u>(117,626)</u>
Other financing sources (uses):			
Transfers in	14,059	195,989	210,048
Transfers out	(152,107)	(38,487)	(190,594)
Issuance of long-term debt	31,471	46,114	77,585
Premiums on debt issued	-	750	750
Total other financing sources (uses)	<u>(106,577)</u>	<u>204,366</u>	<u>97,789</u>
Changes in fund balances	(94,119)	74,282	(19,837)
Fund balances - beginning	756,167	727,958	1,484,125
Restatements	-	(8,724)	(8,724)
Fund balances - beginning, as restated	756,167	719,234	1,475,401
Fund balances - ending	<u>\$ 662,048</u>	<u>793,516</u>	<u>1,455,564</u>

The notes to the basic financial statements are an integral part of this statement.

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances
To the Statement of Activities
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

Changes in fund balances - total governmental funds	\$ (19,837)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.	63,540
Change in accrued interest payable.	3,106
Change in prepaid items.	12,640
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. Also included is the change in compensated absences, which does not require the use of current financial resources. This amount is the net effect of these differences in the treatment.	132,554
Pension related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	119,363
OPEB related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	4,253
Some revenues will not be collected up to 120 days after the year-end, and therefore are not considered "available" and are reported as deferred inflows of resources in the governmental funds. Unavailable revenues decreased by this amount during the year.	(32,349)
The net revenues of certain activities of internal service funds is reported with governmental activities.	18,246
Change in net position of governmental activities	<u>\$ 301,516</u>

The notes to the basic financial statements are an integral part of this statement.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 834,367	830,247	838,018	7,771
Use of money and property	25,270	30,949	46,565	15,616
Licenses and permits	11,324	12,171	11,376	(795)
Intergovernmental	2,523,684	2,571,208	2,513,130	(58,078)
Charges for sales and services	156,553	156,564	160,281	3,717
Fines, forfeitures and penalties	21,040	21,965	22,930	965
Miscellaneous	41,934	49,649	20,414	(29,235)
Total revenues	3,614,172	3,672,753	3,612,714	(60,039)
Expenditures:				
General government:				
Legislative and administrative	9,205	34,542	30,035	4,507
Finance	95,155	85,560	80,926	4,634
Counsel	6,476	6,476	6,577	(101)
Human resources	19,393	19,401	20,865	(1,464)
Elections	16,758	16,758	14,657	2,101
Other	25,211	25,211	24,434	777
Total general government	172,198	187,948	177,494	10,454
Public assistance:				
Administration	330,262	353,571	340,388	13,183
Aid programs	526,922	569,540	528,693	40,847
Other	44,261	43,300	42,565	735
Total public assistance	901,445	966,411	911,646	54,765
Public protection:				
Judicial	220,344	231,642	223,592	8,050
Police protection	513,581	528,984	530,738	(1,754)
Detention and correction	446,517	451,852	422,625	29,227
Protection and inspection	34,032	34,722	34,605	117
Other	35,651	38,262	30,320	7,942
Total public protection	1,250,125	1,285,462	1,241,880	43,582
Health and sanitation	1,260,812	1,340,148	1,188,064	152,084
Recreation and culture	42,608	43,429	39,329	4,100
Education	599	599	584	15
Debt service				
Principal	38,656	36,315	36,315	-
Interest and fiscal charges	4,944	4,944	4,944	-
Total expenditures	3,671,387	3,865,256	3,600,256	265,000
Excess (deficiency) of revenues over (under) expenditures	(57,215)	(192,503)	12,458	204,961
Other financing sources (uses):				
Transfers in	14,229	14,059	14,059	-
Transfers out	(152,107)	(152,107)	(152,107)	-
Issuance of long-term debt	-	-	31,471	31,471
Total other financing sources (uses)	(137,878)	(138,048)	(106,577)	31,471
Changes in fund balances	(195,093)	(330,551)	(94,119)	236,432
Fund balances - beginning	756,167	756,167	756,167	-
Fund balances - ending	\$ 561,074	\$ 425,616	\$ 662,048	\$ 236,432

The notes to the basic financial statements are an integral part of this statement.

**Proprietary Funds
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Assets:						
Current assets:						
Cash and investments	\$ 266,423	60,435	226,684	10,700	564,242	429,523
Restricted cash and investments	91,248	20,055	-	-	111,303	-
Receivables, net of allowance for uncollectibles:						
Billed	11,408	22,401	10,248	222	44,279	3
Interest	9,047	2,941	4,476	217	16,681	271
Intergovernmental	10,445	622	210	2,916	14,193	180
Leases	6,094	137	65	-	6,296	96
Prepaid items	7,188	-	-	-	7,188	738
Inventories	818	62	-	-	880	2,707
Total current assets	402,671	106,653	241,683	14,055	765,062	433,518
Noncurrent assets:						
Restricted assets	617,045	24,213	86,043	-	727,301	-
Prepaid items	278	-	-	-	278	61
Long-term receivables, other	-	-	-	-	-	118
Long-term receivable, leases	22,482	1,737	6,754	-	30,973	195
Capital assets:						
Land and other nondepreciable assets	263,211	78,520	383,570	1,299	726,600	-
Buildings and improvements, infrastructure, equipment and intangibles, net	1,085,130	147,849	639,391	646	1,873,016	90,618
Total capital assets	1,348,341	226,369	1,022,961	1,945	2,599,616	90,618
Total noncurrent assets	1,988,146	252,319	1,115,758	1,945	3,358,168	90,992
Total assets	2,390,817	358,972	1,357,441	16,000	4,123,230	524,510
Deferred outflows of resources:						
Accumulated decrease in fair value of swap agreement	-	-	16,689	-	16,689	-
Deferred outflows related to refunding	20,805	-	269	-	21,074	-
Deferred outflows related to pensions	13,888	10,834	5,795	114	30,631	30,864
Deferred outflows related to OPEB	523	500	215	6	1,244	1,207
Total deferred outflows of resources	35,216	11,334	22,968	120	69,638	32,071
Total assets and deferred outflows of resources	2,426,033	370,306	1,380,409	16,120	4,192,868	556,581

The notes to the basic financial statements are an integral part of this statement.

**Proprietary Funds
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Page 2 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Liabilities:						
Current liabilities:						
Warrants payable	\$ 3,359	451	777	455	5,042	6,368
Accrued liabilities	29,394	14,737	12,065	20	56,216	14,863
Intergovernmental payable	-	-	-	14	14	-
Current portion of insurance claims payable	-	-	-	-	-	51,091
Current portion of long-term debt obligations	34,083	10,289	16,140	136	60,648	23,477
Current liabilities payable from restricted assets	63,533	-	-	-	63,533	-
Unearned revenues	5,933	-	-	-	5,933	7,947
Total current liabilities	136,302	25,477	28,982	625	191,386	103,746
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	243,396
Long-term debt obligations	1,294,308	49,187	397,190	42	1,740,727	20,552
Derivative instrument liability	-	-	16,689	-	16,689	-
Landfill closure and postclosure care	-	41,209	-	-	41,209	-
Other long-term liabilities	-	-	4,914	-	4,914	-
Net pension liability	32,174	21,125	12,041	204	65,544	67,251
Total OPEB liability	3,370	2,958	1,355	46	7,729	8,379
Total noncurrent liabilities	1,329,852	114,479	432,189	292	1,876,812	339,578
Total liabilities	1,466,154	139,956	461,171	917	2,068,198	443,324
Deferred inflows of resources:						
Deferred inflows related to refunding	1,033	-	1,509	-	2,542	-
Deferred inflows related to pensions	1,927	1,739	861	43	4,570	6,272
Deferred inflows related to OPEB	1,131	1,005	454	24	2,614	2,764
Deferred inflows related to leases	27,735	1,751	6,296	-	35,782	294
Total deferred inflows of resources	31,826	4,495	9,120	67	45,508	9,330
Total liabilities and deferred inflows of resources	1,497,980	144,451	470,291	984	2,113,706	452,654
Net position:						
Net investment in capital assets	\$ 468,073	190,325	671,403	1,875	1,331,676	71,442
Restricted for:						
Bond reserves	49,855	-	-	-	49,855	-
Landfill closure	-	12,031	-	-	12,031	-
Kiefer Wetlands Preserve	-	1,291	-	-	1,291	-
Debt service	30,857	-	-	-	30,857	-
Capital projects	-	-	-	2,531	2,531	-
Passenger facility charges	74,580	-	-	-	74,580	-
Customer facility charges	56,160	-	-	-	56,160	-
Transportation	-	-	-	2,685	2,685	-
Endowments:						
Expendable	436	-	-	-	436	-
Nonexpendable	5,029	-	-	-	5,029	-
Unrestricted	243,063	22,208	238,715	8,045	512,031	32,485
Total net position	\$ 928,053	225,855	910,118	15,136	2,079,162	103,927
Adjustment to reflect internal service fund activities related to enterprise funds					62,887	
Net position of business-type activities					\$ 2,142,049	

The notes to the basic financial statements are an integral part of this statement.

Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating revenues:						
Charges for sales and services	\$ 269,489	146,868	124,349	2,596	543,302	441,857
Other	19	1,243	2,290	-	3,552	6,527
Total operating revenues	269,508	148,111	126,639	2,596	546,854	448,384
Operating expenses:						
Salaries and benefits	50,357	43,725	15,408	393	109,883	117,850
Services and supplies	126,591	71,659	17,244	2,148	217,642	150,612
Cost of sales and services	1,003	-	-	1,643	2,646	3,749
Depreciation and amortization	62,323	15,150	24,024	437	101,934	31,680
Claim payments and actuarial estimates	-	-	-	-	-	113,393
Landfill closure costs	-	1,500	-	-	1,500	-
Other	188	-	5,043	213	5,444	1,885
Total operating expenses	240,462	132,034	61,719	4,834	439,049	419,169
Operating income (loss)	29,046	16,077	64,920	(2,238)	107,805	29,215
Nonoperating revenues (expenses):						
Use of money and property	34,267	2,999	13,083	484	50,833	2,972
Intergovernmental	1,101	1,921	3,063	3,048	9,133	-
Passenger facility charges	28,680	-	-	-	28,680	-
Customer facility charges	18,296	-	-	-	18,296	-
Interest expense	(47,450)	-	(11,003)	(3)	(58,456)	(32)
Other revenues (expenses), net	509	(1,915)	(1,659)	4	(3,061)	1,830
Total nonoperating revenues (expenses), net	35,403	3,005	3,484	3,533	45,425	4,770
Income (loss) before transfers and capital contributions	64,449	19,082	68,404	1,295	153,230	33,985
Transfers out	(3,170)	(3,073)	(1,428)	(26)	(7,697)	(11,757)
Capital contributions	26,641	2,700	9,265	358	38,964	-
Changes in net position	87,920	18,709	76,241	1,627	184,497	22,228
Net position(deficit), beginning of year	845,144	201,212	836,922	13,575	1,896,853	94,102
Restatements	(5,011)	5,934	(3,045)	(66)	(2,188)	(12,403)
Net position(deficit), beginning of year, restated	840,133	207,146	833,877	13,509	1,894,665	81,699
Net position(deficit), end of year	\$ 928,053	225,855	910,118	15,136	2,079,162	103,927
Changes in net position of enterprise funds					184,497	
Adjustment to reflect internal service fund activities related to enterprise funds					3,982	
Change in net position of business-type activities					\$ 188,479	

The notes to the basic financial statements are an integral part of this statement.

**Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 161,361	138,304	120,807	2,398	422,870	134,344
Receipts from interfund services provided	-	-	-	-	-	307,787
Receipts for other operating activities	342	6,996	2,957	-	10,295	3,006
Payments to suppliers	(143,462)	(64,305)	(29,945)	(3,828)	(241,540)	(224,514)
Payments to employees	(57,830)	(44,969)	(16,523)	(430)	(119,752)	(125,553)
Payments for other operating activities	-	(4,923)	-	(213)	(5,136)	3,477
Payments for interfund services used	-	(4,294)	-	-	(4,294)	(28,349)
Net cash provided by (used for) operating activities	(39,589)	26,809	77,296	(2,073)	62,443	70,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers to other funds	(3,170)	(3,072)	(1,428)	(26)	(7,696)	(11,757)
Intergovernmental revenue	1,148	1,921	-	2,540	5,609	-
Other nonoperating expense	-	-	-	-	-	1
Net cash provided by (used for) noncapital financing activities	(2,022)	(1,151)	(1,428)	2,514	(2,087)	(11,756)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Passenger facility charges	28,345	-	-	-	28,345	-
Customer facility charges	17,029	-	-	-	17,029	-
Capital contributions	21,697	2,700	-	-	24,397	-
Acquisition and construction of capital assets	(178,983)	(36,498)	(67,003)	(252)	(282,736)	(25,114)
Principal paid on long-term obligations	(6,600)	(7,181)	(93,630)	(69)	(107,480)	(11,359)
Interest paid on long-term obligations	(41,390)	(1,684)	(15,398)	(3)	(58,475)	(147)
Proceeds from Capital Debt	529,330	-	151,067	-	680,397	-
Receipts from Leases	103,632	-	-	-	103,632	31
Interest received from Capital Asset Lease	-	-	-	-	-	13
Proceeds from the sale of capital assets	190	87	6	-	283	1,831
Payment of revolving line of credit	(20,000)	-	-	-	(20,000)	-
Net cash provided by (used for) capital and related financing activities	453,250	(42,576)	(24,958)	(324)	385,392	(34,745)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sale and maturities of investments	175,551	-	-	-	175,551	-
Purchase of Investments	(486,768)	-	-	-	(486,768)	-
Arbitrage Paid	-	-	(1,283)	-	(1,283)	-
Other Investment Expenses	-	-	(555)	-	(555)	-
Interest received and fair value adjustment on cash and investments	35,328	5,544	10,830	507	52,209	2,970
Net cash provided by (used for) investing activities	(275,889)	5,544	8,992	507	(260,846)	2,970
Net increase (decrease) in cash and cash equivalents	135,750	(11,374)	59,902	624	184,902	26,667
Cash and cash equivalents, beginning of year	507,878	116,077	228,527	10,076	862,558	402,856
Cash and cash equivalents, end of year	\$ 643,628	104,703	288,429	10,700	1,047,460	429,523
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 266,423	60,435	226,684	10,700	564,242	429,523
Restricted cash and investments	91,248	20,055	-	-	111,303	-
Restricted noncurrent assets	617,045	24,213	86,043	-	727,301	-
Less: Long-term investments and receivables included in restricted assets	(331,088)	-	(24,298)	-	(355,386)	-
Cash and cash equivalents	\$ 643,628	104,703	288,429	10,700	1,047,460	429,523

The notes to the basic financial statements are an integral part of this statement.

**Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

Page 2 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 29,046	16,077	64,920	(2,238)	107,805	29,215
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	62,323	15,150	24,024	437	101,934	31,680
Provision for uncollectible accounts	(47)	-	-	-	(47)	-
Impact fee credits applied	-	-	(2,073)	-	(2,073)	-
Other nonoperating revenue	342	-	668	-	1,010	-
Other nonoperating expense	-	(2,002)	-	-	(2,002)	-
Lease Activity	(104,069)	-	-	-	(104,069)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	(3,538)	(2,248)	(1,563)	(198)	(7,547)	3
Intergovernmental	-	-	93	-	93	(108)
Deposits with others	(23)	-	-	-	(23)	-
Prepaid items	(7,077)	-	-	-	(7,077)	3,817
Inventories	(8)	-	-	-	(8)	(188)
Warrants payable	2,547	(1,314)	(595)	(5)	633	(943)
Accrued liabilities	(10,901)	1,876	(6,964)	(1)	(15,990)	(412)
Intergovernmental payable	-	-	-	(33)	(33)	5
Unearned revenues	(492)	-	-	-	(492)	(2,879)
Landfill closure and postclosure care	-	1,400	-	-	1,400	-
Compensated absences	(5,420)	142	(157)	1	(5,434)	220
Insurance claims payable	-	-	-	-	-	17,736
Net pension liability and related deferred outflows and inflows	(2,109)	(1,547)	(1,003)	(33)	(4,692)	(7,304)
Net leases liability and related deferred outflows and inflows	-	(577)	-	-	(577)	(29)
Total OPEB liability and related deferred outflows and inflows	(163)	(148)	(54)	(3)	(368)	(615)
Total adjustments	(68,635)	10,732	12,376	165	(45,362)	40,983
Net cash provided by (used for) operating activities	\$ (39,589)	26,809	77,296	(2,073)	62,443	70,198
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Contributed assets	\$ -	-	9,265	-	9,265	-
Amortization of bond premiums	7,388	-	4,035	-	11,423	-
Capital grants receivable	4,945	-	-	-	4,945	-
Amortization of deferred outflows and inflows - bonds	1,775	-	473	-	2,248	-
Capital assets purchases included in accrued liabilities and warrants payable	20,592	-	-	-	20,592	-

The notes to the basic financial statements are an integral part of this statement.

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025
(amounts expressed in thousands)

			Successor Agency Private- Purpose Trust Fund	Custodial	
	Pension Trust	Investment Trust		Non-Pooled Investments	Other Custodial
Assets:					
Cash and investments	\$ 3,679	4,714,006	5,897	439,796	287,832
Other cash and cash equivalents	30,282	-	-	-	-
Short-term investments with fiscal agents	433,864	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Billed	-	-	-	-	1,209
Interest	-	90,922	133	-	165,708
Member and employer contributions	43,120	-	-	-	-
Accrued investment income	38,291	-	-	-	-
Investment sales and other	234,253	-	-	-	-
Investments					
Equity	6,084,396	-	-	-	-
Fixed income	2,450,242	-	-	-	-
Real assets	1,562,892	-	-	-	-
Real estate	916,286	-	-	-	-
Absolute return	1,005,170	-	-	-	-
Private credit	495,465	-	-	-	-
Private equity	1,808,640	-	-	-	-
Securities lending collateral	224,339	-	-	-	-
Prepaid items	-	-	-	-	1,665
Other assets	874	-	-	-	-
Long-term receivables, other	-	-	-	-	234
Buildings and improvements, equipment and intangibles, net	4,347	-	-	-	-
Total assets	15,336,140	4,804,928	6,030	439,796	456,648
Liabilities:					
Warrants payable	2,282	-	-	-	15,867
Accrued liabilities	3,366	-	4,624	-	161,518
Intergovernmental payable	-	-	1,579	-	-
Current long term liability	712	-	-	-	-
Non current long-term lease liability	4,146	-	-	-	-
Investment purchases and other	527,507	-	-	-	-
Securities lending obligation	220,668	-	-	-	-
Other long-term liabilities	-	-	3,207	-	-
Loan due to County Public Financing Authority					
Due within one year	-	-	3,890	-	-
Due after one year	-	-	42,730	-	-
Total liabilities	758,681	-	56,030	-	177,385
Net position (deficit) restricted for:					
Pension	14,577,459	-	-	-	-
Pool participants	-	4,804,928	-	-	-
Individuals, organizations and other governments	-	-	(50,000)	439,796	279,263
Total net position (deficit)	\$ 14,577,459	4,804,928	(50,000)	439,796	279,263

The notes to the basic financial statements are an integral part of this statement.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

			Successor Agency Private-Purpose Trust Fund	Custodial	
	Pension Trust	Investment Trust		Non-Pooled Investments	Other Custodial
Additions:					
Property taxes	\$ -	-	6,462	-	3,353,607
Contributions on pooled investments	-	9,058,278	-	-	2,230,284
Contributions on non-pooled investments	-	-	-	3,711,837	-
Member contributions	156,024	-	-	-	-
Employer contributions	389,042	-	-	-	-
Securities lending income, net	1,205	-	-	-	-
Investment income (loss), net	1,482,081	274,813	293	21,429	27,788
Miscellaneous	2,291	-	-	-	-
Total additions	2,030,643	9,333,091	6,755	3,733,266	5,611,679
Deductions:					
Distributions to taxing entities	-	-	-	4,148,588	3,367,112
Distributions from pooled investments	-	9,556,076	-	-	2,374,596
Benefits paid	741,844	-	-	-	-
Withdrawal/refunds of contributions	7,245	-	-	-	-
Administrative expenses	13,739	-	-	-	12,093
Services and supplies	-	-	1,511	-	-
Interest expense	-	-	5,313	-	-
Total deductions	762,828	9,556,076	6,824	4,148,588	5,753,801
Changes in net position	1,267,815	(222,985)	(69)	(415,322)	(142,122)
Net position (deficit), beginning of year	13,309,632	5,027,913	(49,931)	855,118	421,385
Restatements	12	-	-	-	-
Net position (deficit), beginning of year as restated	13,309,644	5,027,913	(49,931)	855,118	421,385
Net position (deficit), end of year	\$ 14,577,459	4,804,928	(50,000)	439,796	279,263

The notes to the basic financial statements are an integral part of this statement.



This page intentionally left blank.





Notes to Basic Financial Statements





This page intentionally left blank.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The financial statements of the County of Sacramento (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The County’s significant accounting policies are described below.

Scope of Financial Reporting Entity

The County reporting entity includes all significant organizations, departments, and agencies over which the County is considered to be financially accountable. The County is a political subdivision of the State of California, and as such can exercise the powers specified by the Constitution and laws of the State of California. The County operates under a charter and is governed by a five-member Board of Supervisors (Board). In addition, as required by GAAP, the financial statements present the financial position of the County and its component units (entities for which the County is considered to be financially accountable).

Blended component units, although legally separate entities, are, in substance, part of the government’s operations; therefore, data from these component units are combined with data of the primary government. All of the blended components have June 30 fiscal year-ends.

For the special districts and agencies listed below, the County Board of Supervisors is their governing board, or their governing boards are made up substantially of the Board of Supervisors. In addition, financial actions such as setting rates, adopting the annual budget, and determining the legal liability for the general obligation debt, if any, of most of the component units remain with the County.

Blended Component Units:

Lighting and Landscape Maintenance Districts Special Revenue Fund: County Service Area Number One Sacramento County Landscape Maintenance District	Other Special Revenue Funds: Natomas Fire District County Service Area No. 10 In-Home Support Services Authority
Park Districts and Park Service Areas Special Revenue Fund: Del Norte Oaks Park Maintenance District Mission Oaks Recreation and Park District Carmichael Recreation and Park District Sunrise Recreation and Park District County Service Area Number Four	Enterprise Fund: Water Agency Water Supply
Sacramento County Groundwater Sustainability Agency - Special Revenue Fund	

The *Tobacco Securitization Authority (Authority) of Northern California* is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Authority was created by a Joint Exercise of Powers Agreement effective July 15, 2001, between the County and the County of San Diego. The Authority was created for the purpose of empowering the Authority to finance

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

the payments received by the County from the nation-wide Tobacco Settlement Agreement (Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of all Bonds secured by those Payments or the lending of money based thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such payments of the County. The Authority's board consists of two members of the County's Board of Supervisors and one member from San Diego County's Board of Supervisors, therefore the County has voting majority for the Authority.

The liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are in any way responsible for those liabilities. The Authority meets the criteria set forth in GAAP as a blended component unit of the County because the Authority is providing services solely to the County. The Authority is accounted for in debt service and special revenue funds.

The *Sacramento County Public Financing Authority (PFA)* is a public entity created by a Joint Exercise of Powers Agreement effective as of November 25, 2003 between the County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Board of Supervisors sits as the Board of Directors of the PFA. The PFA was created for the purpose of obtaining financing for various designated redevelopment and housing projects in the greater Sacramento area. The debts and liabilities of the PFA belong solely to it, thus the County is in no way responsible for those liabilities.

The PFA established an agreement with the Agency in which the Agency would pay back to the PFA those debt proceeds advanced to them. On December 29, 2011, the California Supreme Court upheld California Assembly Bill X1 26 (ABX1 26) that provides for the dissolution of all redevelopment agencies. On January 24, 2012, the Board elected to become the Successor Agency for the former County redevelopment agency in accordance with the ABX1 26 as part of County resolution number 2012-0051. As such, the Agency obligations to the PFA were transferred to the County Redevelopment Successor Agency Private-Purpose Trust Fund.

The *Public Facilities Financing Corporation (Corporation)* was created by the County for the purpose of facilitating the financing of public projects within the County. The Board appoints the governing board of the Corporation, which is responsible for the fiscal and administrative activities of the Corporation. For financial reporting purposes, leases between the County and the Corporation have been eliminated and the financial data of the Corporation has been included within the County's reporting entity and is accounted for in a debt service fund.

The *Successor Agency Private-Purpose Trust Fund* was created in accordance with ABX1 26 to transfer all of the assets, liabilities, and obligations of the former redevelopment agency. The Board elected to be appointed as the Successor Agency to the former Redevelopment Agency (RDA) of the County. The Successor Agency to the RDA accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency. The Successor Agency to the RDA activities are included in the Successor Agency Private-Purpose Trust Fund.

The *Sacramento County Employees' Retirement System (SCERS)* is a fiduciary component unit reported as a Pension Trust Fund. SCERS is a multiple-employer public retirement system organized under the 1937 Act. SCERS is governed by a nine-member retirement board that includes the County Director of Finance and four appointed members by the Board and four members elected by the SCERS membership. Although

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

SCERS is legally separate from the County, it is reported as part of the County’s reporting entity because the County has board control and there is a financial burden due to employer contributions.

The *Metro Air Park Enhanced Infrastructure Financing District* is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Metro Air Park Enhanced Infrastructure Financing District (EIFD) Public Financing Authority was established by a Board Resolution on April 20, 2021, as authorized under the EIFD Law authorized pursuant to California Government Code Sections 53398.50 through 53398.88. The first year of financial activity for the EIFD was FY 2023-24. The purpose of the EIFD is to facilitate economic growth throughout the Metro Air Park region and to the support the growth of economic activity within the EIFD by utilizing 50% of the County’s incremental property tax revenue growth and incremental property tax in lieu of vehicle license fees growth to provide funding for a portion of the public facilities that will enable the Metro Air Park to fully develop and continue to attract new regional-serving business. The EIFD’s Board of Directors is composed of three members from the County of Sacramento’s Board of Supervisors and two members of the public as chosen by the County of Sacramento’s Board of Supervisors. The activities of the EIFD are reported within the Metro Air Park EIFD Special Revenue Fund.

The following *Community Facility Districts (CFD)* were established by a two-thirds affirmative vote by property owners within the CFD boundaries. These CFDs are blended component units of the County, in that Mello-Roos law dictates that these districts are legally separate entities, but are governed by the local agency. It is the County’s responsibility through the Board to set direct levy rates and adopt annual budgets within these funds. The County is not obligated in any manner for any debt associated with these districts therefore, none of the debt is recorded in these financial statements. However the construction and assets associated with the districts are assets of the County, thus they are accounted for in the capital projects funds. The County also acts as an agent for the property owners of these CFDs; whereby, the County collects and forwards the assessment fees to the bondholders. This activity is reported in other custodial funds.

North Vineyard Station No. 1	Florin Vineyard No. 1
North Vineyard Station No. 2	Metro Air Park CFD No. 1998-1
Laguna Stonelake CFD No. 1	Metro Air Park CFD No. 2000-1
Park Meadows CFD No. 1	Laguna Creek Ranch/Elliot Ranch CFD No. 1 Improvement Area No.1
McClellan Park CFD No. 2004-1	Laguna Creek Ranch/Elliot Ranch CFD No. 1 Improvement Area No.2

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Discretely Presented Component Unit:

First 5 Sacramento Commission (Commission) is a discretely presented component unit. The Commission is administered by a governing board of seven members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County, funded by additional State taxes on tobacco products approved by California voters via Proposition 10 in November 1998. The Commission is reported as a discretely presented component unit of the County because, although the Board has no control over the revenues, budgets, staff, or funding decisions made by the Commission, the appointed Commission members serve at the will of the Board members who appoint them. A separate stand-alone annual financial report can be obtained by writing to the Commission, 2750 Gateway Oaks Drive, Suite 330, Sacramento CA 95833.

Excluded from the Reporting Entity:

The reporting entity excludes certain separate legal entities. Some of these entities may have “Sacramento” in their title or are required to keep their cash and investments with the County Treasurer or receive property tax apportionments from the County. Examples are school districts, community college districts, cities, joint powers agencies, and a variety of special-purpose independent districts for cemeteries, fire, recreation and parks, and reclamation. These entities are autonomous organizations with their own governmental powers and constituencies. The Board of Supervisors does not appoint a voting majority of their boards. Accordingly, they are not included in the accompanying basic financial statements.

Joint Power Authorities or Jointly Governed Organizations

The County of Sacramento is a member of several Joint Powers Agencies (JPA) and/or jointly managed agencies. These are:

AGENCY	PURPOSE
Sacramento Area Council of Governments	Regional planning (primarily transportation)
Sacramento Employment and Training Agency	Coordination of Federal and State funding for job programs
Sacramento Area Flood Control Agency	Regional flood control issues
Sacramento Metropolitan Cable Television Commission	Administration of the franchising and licensing of cable TV services
Sacramento Housing and Redevelopment Agency	Housing projects
Sacramento Transportation Agency	Administration of County-wide transportation projects
Local Agency Formation Commission	Formation of districts and cities within the County
Sacramento/Placerville Transportation	Acquisition of rail lines for a transportation corridor
Sacramento Metropolitan Air Quality Management District	Monitor and enforce air quality
Library Joint Powers Authority	Library operations
SacSewer	Wastewater conveyance, treatment, and disposal along with Sewer service
Southeast Connector Joint Powers Authority	Planning and development of the Elk Grove-Rancho Cordova-El Dorado Connector Project

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

AGENCY	PURPOSE
South Sacramento Conservation Agency	Administration of South Sacramento Habitat Conservation Plan
River City Regional Stadium Financing Authority	Finance the acquisition and construction of the River Cats Stadium
Groundwater Sustainability Agency	Enhance local management of groundwater

The County Director of Finance acts as the Auditor-Controller and as the Treasurer and depository for all the above agencies except for the Sacramento Housing and Redevelopment Agency, Library Joint Powers Authority, Sacramento Metropolitan Air Quality Management District, and SacSewer. Funding, if any, for each of these agencies from the County is based on annual appropriations. The County Board does not appoint a voting majority and cannot impose its will. Separate financial statements of the JPAs can be obtained by contacting the individual agencies or the County Department of Finance, Auditor-Controller Division.

Joint Ventures

The County entered into a joint venture in 2002 with the East Bay Municipal Utility District establishing the Freeport Regional Water Authority (FRWA). The purpose of the FRWA was to construct a joint regional surface water supply project on the Sacramento River near the community of Freeport and adjacent to the City of Sacramento. The County has no equity interest in the FRWA. As of June 30, 2025, this entity reported a net position of \$318.7 million. Copies of the FRWA’s financial statements may be obtained from the FRWA Authority Treasurer, MS #801, P.O. Box 24055, Oakland, CA 94623-1055.

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the primary government, the County and its component units. These statements include financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County’s business-type activities and each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. The County also includes certain indirect costs as part of the program expenses reported for various functional activities. Program revenues include 1) charges paid by the recipients of goods or services offered by programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Fund Financial Statements:

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category: governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental (special revenue, capital projects and debt service) and proprietary funds (Parking Enterprise and County Transit) are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental fund:

- The General fund is used to account for all financial resources except those legally required or designated by the Board to be accounted for in another fund.

The County reports the following major enterprise funds:

- The Airports fund is used to account for the facilities and operations of the Airports, including the International, Executive, Franklin Field, and Mather airports.
- The Solid Waste fund is used to account for the costs of the solid waste collection business, including the Solid Waste disposal site and transfer stations.
- The Water Agency fund is used to account for the construction of major water supply treatment, transmission and distribution facilities, as well as, being the retail service provider of water to a portion of the unincorporated area.

The County also reports the following fund types:

Internal service funds are used to account for the financing of goods, services, or facilities provided by one department to other departments of the County, or to other governmental units, on a cost-reimbursement basis. Internal service funds include: General Services; Self-Insurance funds covering general liability and property damage; workers' compensation; Other which consists of Dental and Unemployment; Regional Radio Communications System for emergency communications services; and Department of Technology.

The Pension Trust fund is a fiduciary component unit that reports assets, liabilities and activities of SCERS.

The Investment Trust fund accounts for the assets of legally separate entities that deposit cash with the County Treasury. These entities include school districts, other independent special districts governed by local boards, regional boards and authorities. These funds represent assets, primarily cash and investments, held by the County in trust for these participants.

The Private-Purpose Trust fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the County Redevelopment Successor Agency. The fund was established effective February 1, 2012.

Custodial funds account for the assets held by the County on behalf of various individuals, private organizations and other governmental agencies. These include NonPooled Investments, Law Enforcement, Unapportioned Tax Collection and others.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property and sales taxes, grants, entitlements and donations. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes are recognized as revenues in the year for which they are levied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Taxes (other than property taxes), interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within one hundred twenty days of the end of the accounting period, so as to be both measurable and available. Licenses, permits, fines, forfeitures and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Capital assets are reported as expenditures in governmental funds. Proceeds of long-term debt, leases, and SBITAs are reported as other financing sources.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes and various other charges. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services including: water, solid waste, airline fees and charges, parking fees and public transit fees. The principal operating revenues for the County's internal service funds are charges for customer services including: fleet operations; purchasing; printing services; central stores; mail services; building maintenance; surplus property disposal; telecommunications; special district services; real estate; surveyor; self-insurance for liability and property damages, workers' compensation claims; unemployment claims and dental claims; emergency communication functions; and telecommunication and data processing. Operating expenses for enterprise funds and internal service funds include cost of services, administrative expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expenditure/expense is incurred for purposes which both restricted and unrestricted fund balance/net position components are available, the County will first apply restricted resources and then unrestricted resources.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, Compensated Absences

Effective July 1, 2024 the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. See Note 23 Restatement for the impact of the change in accounting related to the implementation.

GASB Statement No. 102, Certain Risk Disclosures

Effective July 1, 2024 the County implemented Statement No. 102. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement had no material impact to the County's financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all short-term highly liquid investments (including restricted assets) with maturities of three months or less at the time of purchase to be cash equivalents. Investments held in the County Treasurer's Pool are available on demand to individual entities, thus they are considered highly liquid and cash equivalents for purposes of the statement of cash flows.

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for FY 2024-25 is July 1 and the lien date is January 1 (unsecured property taxes are due in one installment and become delinquent after August 31). The tax collections are recorded in the Unapportioned Tax Collection Custodial fund prior to apportionment.

The Board adopted a resolution authorizing the "Alternative Method of Property Tax Apportionment" (Teeter Plan), under which the County converted to an accrual method of apportioning secured property taxes. Under the Teeter Plan, the County purchases the annual delinquent secured property taxes from the local taxing entities and selected special assessment districts in the County. The financing of the purchase of the delinquent secured property taxes under the Teeter Plan has been accomplished by five-year legal, secured medium-term note obligations of the County, which have been purchased by the Treasurer's Pool. The terms of the notes include a variable interest rate, adjusted on a quarterly basis, scaled to the County of Sacramento Pooled Investment Fund yield for the number of years corresponding to the remaining term of each note.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

For financial reporting purposes, a Teeter Plan debt service fund was created to account for the proceeds, subsequent purchase of delinquent taxes of the taxing entities, and the accumulation of financial resources to be used to repay the notes. Collections on the delinquent secured taxes including interest and penalties purchased from the various taxing entities as the primary funding source. The delinquent secured taxes are recorded as a long-term receivable in the debt service fund.

A description of the debt related to the Teeter Plan can be found in NOTE 8 - LONG-TERM OBLIGATIONS on page 102-103.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an expense until the future period(s).

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. A deferred inflow of resources is an acquisition of net assets that applies to a future reporting period and will not be recognized as a revenue until the future period(s).

The balance sheet of governmental funds also reports a separate section for deferred inflows of resources. Unavailable revenue reported consists primarily of revenues which have been earned but were not received. This separate financial statement element represents assets which are not yet available to finance expenditures of the current fiscal period and so will not be recognized as revenue until that time.

Intergovernmental Revenues

The federal government and State of California reimburses the County for costs incurred on certain capital asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a capital projects fund or to capital contributions revenue if administered by a proprietary fund. Additionally, the County receives reimbursement from the federal government and State of California for other programs, such as public assistance, administered by the County. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

The respective grant agreements generally require the County to maintain accounting records and substantiating evidence sufficient to determine if all costs incurred and claimed are proper and that the County is in compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future reimbursement claims or be directly remitted from the County back to the granting agency.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either due to/from other funds or advances to/from other funds. Any remaining balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances to other funds reported in the

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

fund statements are classified as nonspendable fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Inventories

Inventories for governmental funds consist of pharmacy supplies and jail inventory which consists of clothing for inmates, and supplies for jails and jail staff. Inventories are valued at cost, using the first-in/first-out method. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Inventories of supplies of proprietary funds are recorded at cost computed by the weighted average method. Proprietary fund inventories are comprised of materials and supplies held for consumption.

Prepaid Items

Payments made for services or future right-to-use assets in relation to SBITAs that will benefit future accounting periods are recorded as prepaid items. Prepaid items, as reported in the governmental funds balance sheet, are offset by a nonspendable fund balance account to indicate such amounts are not in spendable form. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.

Restricted Assets

Certain proceeds of proprietary fund obligations, as well as certain other resources set aside for obligation repayment and future construction or acquisition of assets are classified as restricted assets on the statement of net position. These amounts are restricted as their use is limited by applicable bond covenants or other external requirements.

Capital Assets

Capital assets, which include land, easements, buildings and improvements, infrastructure, machinery and equipment, computer software, water facility rights, right-to-use assets and other intangible assets, are reported in the applicable governmental or business-type activities columns in the proprietary fund financial statements. Capital assets are defined as assets with an initial useful life in excess of one year and an individual cost of more than \$5 for equipment, \$25 for buildings, improvements, and infrastructure, and \$100 for computer software. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The County has not reported infrastructure acquired prior to 1980. Donated capital assets are recorded at acquisition value at the date of donation. Right-to-use assets are initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before lease/SBITA commencement date, plus certain initial direct costs. Capital outlay is recorded as expenditures of the general, special revenue, and capital projects funds and as assets in the proprietary funds and government-wide financial statements to the extent the County's capitalization threshold is met. Buildings and improvements, infrastructure, equipment, intangible assets are depreciated using the straight line method over the following estimated used lives. Right-to-use lease and SBITA assets are

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

amortized over the lesser of useful life or contract terms. If the County is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the asset.

Assets	Years
Buildings and Improvements	4 to 50
Infrastructure	20 to 50
Machinery and Equipment	2 to 25
Computer Software	3 to 10
Water Facility Rights	40 to 50

Compensated Absences

County employees are granted vacation in varying amounts based on classification and length of service. Additionally, certain employees are allowed compensated time-off in lieu of overtime compensation and/or for working on holidays.

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee’s retirement are added to the actual period of service when computing retirement benefits. The County does not pay accumulated sick leave to employees who terminate prior to retirement. The County will pay certain employees a portion of their sick leave at retirement based on labor agreements.

The County accrues for compensated absences in the government-wide and proprietary fund statements which are liable to make payment. The liquidation of compensated absences occurs in the fund where the employee resides when the hours are used or upon retirement or separation from the County.

Long-Term Obligations

In the government-wide financial statements, proprietary fund and private-purpose trust fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund or private-purpose trust fund statement of net position. Issuance costs, with the exception of prepaid insurance, are expensed in the year incurred.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized in the period issued. Bond proceeds are reported as other financing sources. In the government-wide, proprietary funds and private-purpose trust fund financial statements, bond premiums and discounts are amortized on a straightline basis over the life of related debt.

Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance - amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

- Restricted fund balance - amounts with constraints placed on their use that are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (Resolution by the Board), and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the County's intent to be used for specific purposes on an annual basis. The intent can be established at either the highest level of decision-making (Resolution from the Board), or by a body or an official designated by the Board for that purpose. The Board adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Executive in consultation with the County Director of Finance. This is also the classification for residual funds in the County's special revenue, capital projects, and debt service funds.
- Unassigned fund balance - the residual classification for the County's General Fund includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. The unassigned fund balance also includes \$80,622 of a service stabilization reserve that was established during the recommended budget adoption by County resolution. At this time there is no condition under which this stabilization may be spent; however, should the County deem it necessary to use these funds, the Board will need to adopt another resolution allowing the use. To increase the stabilization amount the Board would need to approve an appropriation adjustment request authorizing the increase.

Fund Balance Policy

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the County's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the County's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

The Board, as the highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken (Resolution). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment. Board action to commit fund balance needs to occur within the fiscal reporting period; but the amount, if any, which will be subject to the constraint, may be determined during a subsequent period.

Net Position

The government-wide, proprietary, and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* - This category groups all capital assets, including infrastructure, intangible assets including leases and SBITAs, unspent proceeds for capital related debt, and deferred

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

outflows of resources for capital related debt, into one component of net position. Accumulated depreciation/amortization, outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets, and deferred inflows of resources for capital related debt reduce the balance in this category.

- *Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - This category represents net position of the County, not restricted for any project or other purpose, or not related to the net investment in capital assets.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Liability and Workers' Compensation Internal Service Funds (ISF) Deficit Net Position

As of June 30, 2025, the Liability and Workers' Compensation ISF have deficit net position of \$40,375 and \$54,267, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability/property and workers' compensation programs. The County is gradually collecting additional amounts from the departments to eliminate the deficit in net position.

Investments/Fair Value

The County categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Pension

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (See NOTE 14 - RETIREMENT PLAN and the Required Supplementary Information (RSI) section immediately following the Notes to Basic Financial Statements), regardless of the amount recognized as pension expenditures in the governmental fund statements, which uses the modified accrual basis of accounting.

In general, the County recognizes a net pension liability which represents the County's proportional share of the excess of the total pension liability over the fiduciary net position of the pension plan reflected in the actuarial report provided by SCERS. The net pension liability is measured as of the County's prior fiscal year-end. Employer pension contributions made subsequent to the measurement period are reported as deferred outflows of resources.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with SCERS and additions to/deductions from the plan's fiduciary net position have been determined

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

on the same basis as they are reported by SCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings, changes in assumptions, and changes in proportions are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense over the expected average remaining service life.

Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the accrual basis of accounting. The OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Pension and OPEB liabilities are liquidated by the following funds: 1.) Governmental funds which include General, Building Inspection, Economic Development, Environmental Management, Road, and Stormwater Utility Program; 2.) Proprietary funds which includes Airports, Solid Waste, Water Agency, and Parking; 3.) Internal Service funds which includes General Services, Regional Radio Communication System, and Department of Technology.



NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

Total fund balances of the County's governmental funds of \$1,455,564 differs from net position of governmental activities of \$1,310,457 because of the long-term economic focus in the statement of net position versus the current financial resources measurement focus in the governmental funds balance sheet. The effect of the differences is illustrated below:

	Balance Sheet/Statement of Net Position				
	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities ⁽¹⁾	Internal Service Funds ⁽²⁾	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 1,451,209	-	429,523	-	1,880,732
Receivables, net of allowance for uncollectibles:					
Billed	73,314	-	3	-	73,317
Interest	36,158	-	271	-	36,429
Intergovernmental	525,876	-	180	-	526,056
Leases	1,768	-	96	-	1,864
Prepaid items	23,478	-	738	-	24,216
Due from other funds/internal balances	-	-	(62,887)	-	(62,887)
Inventories	3,228	-	2,707	-	5,935
Total current assets	2,115,031	-	370,631	-	2,485,662
Noncurrent assets:					
Loan receivable from County Successor Agency	46,620	-	-	-	46,620
Loan receivable from City Successor Agency	3,086	-	-	-	3,086
Long-term receivables	70,688	-	118	-	70,806
Long-term receivable, leases	20,379	-	195	-	20,574
Prepaid items	-	25,965	61	-	26,026
Capital assets:					
Land and other nondepreciable assets	-	223,707	-	-	223,707
Buildings and improvements, infrastructure, equipment and intangibles, net	-	1,879,012	90,618	-	1,969,630
Total capital assets	-	2,102,719	90,618	-	2,193,337
Total noncurrent assets	140,773	2,128,684	90,992	-	2,360,449
Total assets	2,255,804	2,128,684	461,623	-	4,846,111
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement	-	13,103	-	-	13,103
Deferred amounts related to refunding	-	13,228	-	-	13,228
Deferred outflows related to pensions	-	549,968	30,864	-	580,832
Deferred outflows related to OPEB	-	19,581	1,207	-	20,788
Total deferred outflows of resources	-	595,880	32,071	-	627,951
Total assets and deferred outflows of resources	2,255,804	2,724,564	493,694	-	5,474,062

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities ⁽¹⁾	Internal Service Funds ⁽²⁾	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities:					
Current liabilities:					
Warrants payable	\$ 28,423	-	6,368	-	34,791
Accrued liabilities	274,238	-	14,863	-	289,101
Intergovernmental payable	67,008	-	-	-	67,008
Accrued interest payable	-	6,738	-	-	6,738
Current portion of insurance claims payable	-	-	51,091	-	51,091
Current portion of long-term debt obligations	-	374,079	23,477	-	397,556
Unearned revenues	290,206	-	7,947	-	298,153
Total current liabilities	659,875	380,817	103,746	-	1,144,438
Noncurrent liabilities:					
Insurance claims payable	-	-	243,396	-	243,396
Long-term debt obligations	-	1,002,923	20,552	-	1,023,475
Derivative instrument liability	-	13,103	-	-	13,103
Net pension liability	-	1,381,506	67,251	-	1,448,757
Total OPEB liability	-	132,169	8,379	-	140,548
Total noncurrent liabilities	-	2,529,701	339,578	-	2,869,279
Total liabilities	659,875	2,910,518	443,324	-	4,013,717
Deferred inflows of resources:					
Unavailable revenues	119,551	(119,551)	-	-	-
Deferred inflows related to pensions	-	78,082	6,272	-	84,354
Deferred inflows related to OPEB	-	41,662	2,764	-	44,426
Deferred inflows related to leases	20,814	-	294	-	21,108
Total deferred inflows of resources	140,365	193	9,330	-	149,888
Total liabilities and deferred inflows of resources	800,240	2,910,711	452,654	-	4,163,605
Fund balances/net position:					
Nonspendable	36,369	-	-	(36,369)	-
Restricted	1,124,265	-	-	(1,124,265)	-
Assigned	145,828	-	-	(145,828)	-
Unassigned	149,102	-	-	(149,102)	-
Net investment in capital assets	-	2,102,719	71,442	(522,221)	1,651,940
Restricted	-	-	-	1,070,100	1,070,100
Unrestricted	-	(2,288,866)	(30,402)	907,685	(1,411,583)
Total fund balances / net position	\$ 1,455,564	(186,147)	41,040	-	1,310,457

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

(a) Explanation of certain differences between the governmental funds balance sheet and the governmental activities statement of net position:

- (1) When capital assets (land, construction in progress, infrastructure, building, equipment, and intangibles) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 5,108,627
Right-to-use assets	395,287
Accumulated depreciation/amortization	<u>(3,401,195)</u>
Total	<u>2,102,719</u>
Accrued interest payable	(6,738)
Prepaid items which consist of bond insurance costs and prepaid expenses relating to SBITA assets not yet placed in service	25,965
Long-term liabilities and related deferred outflows of resources applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current, long-term and deferred outflows, are reported in the statement of net position.	
Compensated absences	(302,735)
Bonds, notes, COPs, leases, other payables	(1,004,841)
Derivative instrument liability	(13,103)
Accreted interest	(15,248)
Accumulated decrease in fair value of SWAP agreement	13,103
Deferred amounts related to refunding	13,228
Litigation liability	<u>(54,178)</u>
Total	<u>(1,363,774)</u>
Net Pension Liability:	
Deferred outflows related to pensions	549,968
Net pension liability	(1,381,506)
Deferred inflows related to pensions	<u>(78,082)</u>
Total	<u>(909,620)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	19,581
Total OPEB liability	(132,169)
Deferred inflows related to OPEB	<u>(41,662)</u>
Total	<u>(154,250)</u>

Because the focus of governmental funds is on short-term financing, some deferred inflows of resources will not be available to pay for certain period expenditures.

Unavailable revenues	119,551
Total	<u>\$ (186,147)</u>

- (2) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The assets and deferred outflows of resources, and liabilities and deferred inflows of resources, of certain internal service funds are included in governmental activities in the statement of net position.

\$ 41,040

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The net change in fund balances for governmental funds of (\$19,837) differs from the change in net position for governmental activities of \$301,516 reported in the statement of activities. The differences arise from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences are as follows:

Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities

	Total Governmental Funds	Capital-Related Items ⁽³⁾	Long-term Revenues, Expenses ⁽⁴⁾	Internal Service Funds ⁽⁵⁾	Reclassifications and Eliminations	Statement of Activities
Revenues:						
Taxes:						
Property	\$ 694,592	-	-	-	-	694,592
Transient occupancy	5,071	-	-	-	-	5,071
Sales / use taxes	212,737	-	-	-	-	212,737
Use of money and property	86,119	-	-	2,972	-	89,091
Licenses and permits	78,694	-	-	-	(78,694)	-
Intergovernmental	2,706,600	-	(23,688)	-	(2,682,912)	-
Charges for sales and services	396,328	-	(505)	-	117,945	513,768
Operating grants and contributions	-	-	-	-	2,019,790	2,019,790
Capital grants and contributions	-	-	-	-	39,977	39,977
Grants and contributions not restricted to specific programs	-	-	(7,802)	-	623,145	615,343
Fines, forfeitures and penalties	39,251	-	-	-	(39,251)	-
Pledged tobacco settlement	13,082	-	(354)	-	-	12,728
Miscellaneous	32,723	-	-	-	-	32,723
Total revenues	4,265,197	-	(32,349)	2,972	-	4,235,820
Expenditures/expenses						
Current:						
General government	\$ 246,080	6,352	(13,548)	(2,906)	-	235,978
Public assistance	911,646	9,193	(14,445)	(4,409)	-	901,985
Public protection	1,356,128	2,667	(72,143)	(11,911)	-	1,274,741
Health and sanitation	1,226,798	(3,193)	(18,690)	(4,260)	-	1,200,655
Public ways and facilities	226,624	8,645	(1,973)	(1,316)	-	231,980
Recreation and culture	65,728	1,913	(1,049)	(292)	-	66,300
Education	1,975	(491)	-	(139)	-	1,345
Capital outlay	88,626	(88,626)	-	-	-	-
Debt service:						
Principal	213,163	-	(213,163)	-	-	-
Bond issuance costs	272	-	-	-	-	272
Interest and fiscal charges	45,783	-	(15,240)	(1,798)	-	28,745
Total expenditures/expenses	4,382,823	(63,540)	(350,251)	(27,031)	-	3,942,001
Excess (deficiency) of revenues over (under) expenditures/expenses	(117,626)	63,540	317,902	30,003	-	293,819
Other financing sources (uses):						
Transfers in	210,048	-	-	-	-	210,048
Transfers out	(190,594)	-	-	(11,757)	-	(202,351)
Leases issued	14,557	-	(14,557)	-	-	-
SBITA issued	16,914	-	(16,914)	-	-	-
Issuance of long-term debt	46,114	-	(46,114)	-	-	-
Premiums on debt issued	750	-	(750)	-	-	-
Total other financing sources (uses)	97,789	-	(78,335)	(11,757)	-	7,697
Changes in fund balances/net position	(19,837)	63,540	239,567	18,246	-	301,516
Fund balances/net position - beginning, as restated	1,475,401	2,039,179	(2,528,433)	22,794	-	1,008,941
Fund balances/net position - ending	\$ 1,455,564	2,102,719	(2,288,866)	41,040	-	1,310,457

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

(b) Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the governmental activities statement of activities.

- (3) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. As a result, net position decreases by the amount of depreciation/amortization expense charged for the year. Donated assets result in an increase in net position.

Capital expenditures	\$ 187,920
Right-to-use assets	32,003
Depreciation/amortization expense	(143,663)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-in, disposals)	(12,720)
Total	<u>\$ 63,540</u>

- (4) Bond issuance costs and prepaid SBITA assets are expended in governmental funds when paid, and prepaid insurance is capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities. Prepaid SBITA assets will be amortized once the asset is placed into service.

\$ 12,640

Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the governmental activities, however, the principal payments reduce the liabilities in the statement of net position. The County's bonded debt was reduced because principal payments were made to bond holders and to escrow agent for refunded bonds:

Certificate of participation	11,533
Teeter notes	27,914
Revenue bonds	10,763
Pension obligation bonds	123,985
Direct placement bonds	680
Accreted interest	521
Financed purchase obligations	1,500
Lease liability	34,122
SBITA liability	2,956
Litigation liability	5,915
Other long-term debt	711
General obligation bonds	690
Total	<u>221,290</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

- (4) Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balance. In the governmental activities statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Proceeds were received from:

Teeter notes	\$ (33,914)
Leases issued	(14,557)
SBITA issued	(16,914)
General obligation bonds	(12,200)
Total	<u>(77,585)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences	(7,886)
Accreted interest	(3,278)
Current year other long-term debt	(509)
Amortization of deferred amount on refunded debt	(917)
Amortization of issuance premiums/discounts	2,189
Premium on debt issued	(750)
Total	<u>(11,151)</u>

Net effect of long-term debt and related items	132,554
--	---------

Changes in net pension liability and related deferred outflows/inflows	119,363
--	---------

Changes in total other postemployment benefits (OPEB) liability and related deferred outflows/inflows	4,253
---	-------

Some revenues will not be collected within the County's availability period, and therefore are reported as unavailable revenues in the governmental funds. Deferred inflows of resources decreased by this amount during the year.	(32,349)
--	----------

Decrease in accrued interest payable	<u>3,106</u>
--------------------------------------	--------------

Total	<u>\$ 239,567</u>
-------	-------------------

- (5) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The adjustments for internal service funds close those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year.

<u>\$ 18,246</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 3 – Budgetary Principles

As required by the laws of the State of California, the County prepares and legally adopts a final balanced operating budget on or before August 30 of each fiscal year. The final budget for FY 2024-25 was adopted on September 24, 2024. Until the adoption of a final balanced budget, operations were governed by the recommended budget approved by the Board in June 2024. Public hearings were conducted on the recommended final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

Operating budgets are adopted for the General Fund, special revenue funds, debt service funds, and capital projects funds on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the budget unit and object level (except for capital assets, which are controlled at the sub-object level), which classifies expenditures by organizational unit, and by type of goods purchased and services obtained. The statement/schedules of revenues and expenditures - budget and actual present revenues at the source level and expenditures at the function level. Negative variances on these statements/schedules are possible and are not indicative of the County's legal level of control, as the budget authority and subsequent expenditures can span across differing functional types causing negative variances. For instance, within the general fund public assistance function, the budget unit can place the budget authority to one functional type such as public assistance - administration, but the subsequent expenditures can be recorded in differing functional types such as public assistance - aid programs. The budgetary control is at the budget unit level and not the functional level, as long as the expenditures don't exceed the budget unit level appropriations, there is no instance of non-compliance with the budget act. The Inmate Welfare Special Revenue Fund is not subject to the California Budget Act and does not have a formally adopted budget. The Tobacco Securitization Authority of Northern California Debt Service Fund, the Sacramento County Public Financing Authority Debt Service Fund, the Improvement Bond Act of 1911 Capital Projects Fund likewise do not have a formally adopted budget. Therefore, no budget and actual schedules are included for those funds in the Combining and Individual Fund Statement and Schedules.

It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Department of Finance, Auditor-Controller Division, titled "Governmental Fund Expenditure Status Report." Copies of this report may be obtained from the County of Sacramento, Department of Finance - Auditor Controller division website, located at <https://finance.saccounty.gov/AuditorController/Pages/default.aspx>. Significant amendments, appropriation transfers between departments or funds, and transfers from contingencies must be approved by the Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

During FY 2024-25, the original adopted budget was amended by the Board. The final budget data contained in the General Fund's budget and actual statement, as well as the budget and actual schedules for the nonmajor governmental funds reflects the effect of all approved budget amendments. During FY 2024-25, the appropriation limit for the FY 2024-25 budget year was reviewed and determined to be calculated in accordance with Article XIII B of the California Constitution.

Encumbrance appropriations lapse at the end of the fiscal year with no provisions made to include in the governmental funds restricted, committed or assigned fund balance for following year re-appropriation.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Expenditures associated with the encumbrances anticipated to be paid in the next year will be included as part of the following fiscal year budget approval process.

Note 4 - Cash, Investments, and Restricted Assets

All investments are reported in the statement of net position/balance sheet at fair value, except for the investment agreement(s), teeter notes, and certain money market mutual funds, which are reported at net asset value. The cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net position/balance sheets as "Cash and investments". The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain custodial funds accrues to the benefit of the General Fund. The County, acting in a fiduciary capacity, invests bond proceeds in accordance with long-term obligation covenants. The Treasurer's Pool and funds managed in a fiduciary capacity are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer's Pool.

Separately issued reports of the County Treasurer's Internal and Non-Pooled investments are available at <https://finance.saccounty.gov/Investments/Pages/Reports.aspx>.

Cash, investments, and restricted assets as shown in the basic financial statements at June 30, 2025, are as follows:

Government-wide statement of net position:

Cash and investments	\$ 2,444,974
Restricted cash and investments	111,303
Restricted assets, included in noncurrent assets	727,301

Fiduciary funds statement of net position:

Pension Trust	3,679
Investment Trust	4,714,006
Successor Agency - Private-Purpose Trust Fund	5,897
Non-Pooled Investments	439,796
Other Custodial	287,832

Discretely presented component unit (First 5 Commission)

Total cash, investments, and restricted assets including receivables	8,753,087
Less receivables included in restricted assets	(10,179)
Total cash, investments, and restricted assets	<u>\$ 8,742,908</u>

Investments Authorized by Debt Agreements

Cash and investments held by fiscal agents are restricted as to their use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2025,

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

all cash and investments held by fiscal agents were covered by federal depository insurance, Securities Investor Protection Corporation Insurance, or the investments are held in the County's name.

Investments Authorized by Government Code and County Investment Policy

Investments by the County Treasurer are invested in accordance with Government Code Section 53600 et. seq. and 16429.1 and County Investment Policy. This Government Code requires that the investments be made with the prudent investor standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing.

The Government Code also requires that when following the investing actions cited above, that the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, and then achieve a return on the funds under the trustee's control. Further, the intent of the Government Code is to minimize risk of loss on County held investments from:

- a) Interest rate risk
- b) Credit risk
- c) Custodial credit risk
- d) Concentration of credit risk

Specific restrictions of investments are noted below:

Government Code Section 53601 and the County Investment Policy lists the investments in which the Treasurer may invest. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, Washington supranational notes, treasury notes, or bonds of the State of California; registered treasury notes or bonds of any of the other 49 states in addition to California; bonds, notes, warrants or other forms of indebtedness of any local agency (Teeter Notes and Local Agency Investment Fund-LAIF) within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, or other instruments of, or issued by, a federal agency or United States government sponsored enterprise; money market mutual funds (not to exceed 20 percent of the total portfolio); bankers acceptances (not over 180 days maturity, not to exceed 40 percent of the total portfolio); commercial paper (not to exceed 40 percent of the total portfolio) of "prime quality" (the highest ranking provided by either Moody's Investors Service (Moody's) or S&P Global Ratings (S&P)) and these investments are further restricted as to capacity and credit rating of the company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks (not to exceed 30 percent of the total portfolio); repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service (not to exceed 30 percent of the portfolio); shares of beneficial interest issued by a diversified management company subject to certain limitations; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of the types listed in Government Code Section 53651; mortgage pass-through securities and other mortgage and consumer receivable backed bonds, not to exceed maturity of five years, subject to the credit rating of the issuer (not to exceed 20 percent of the portfolio); and shares of beneficial interest issued by a

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized previously.

In addition to the restrictions and guidelines cited in the Government Code, the Board annually adopts an "Annual Investment Policy for the Pooled Investment Fund" (Investment Policy). The Investment Policy is maintained by the Department of Finance and is based on criteria cited in the Government Code. The Investment Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer or issuer.

The County was in full compliance with its own more restrictive Investment Policy, and therefore, was also in compliance with the above cited Government Code sections.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the County's Investment Policy the dollar-weighted average maturity on all securities shall be equal to or less than three years. As of June 30, 2025, of the County's \$8.6 billion in investments held by the Treasurer and \$47.4 million held by fiscal agents, 74.0 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 308 days.

Credit Risk - This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term ratings, the issuers' ratings must be A-1 and P-1, and the long-term ratings must be A and A2, respectively, by S&P's and Moody's rating agencies. In addition, the County is permitted to invest in the State's Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not rated. See schedule on page 71.

Custodial Credit Risk - This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. The California Government Code and the County's Investment Policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following disclosures. As of June 30, 2025, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of \$250 and remaining cash deposits were collateralized by the pledging institutions as required by California Government Code Section 53652.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the amount of investment in a single issuer. U.S. Treasury and agency securities are considered to be of the best quality grade, as such, there is no limitation on amounts invested in U.S. Treasury or agency securities per California Government Code. Investments in any one issuer (other than U.S. Treasury securities, money

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

market mutual funds and external investment pools) that represent 5 percent or more of the total County investments, is as follows:

	Reported Amount
Federal Home Loan Banks	\$ 1,592,443
Intl Finance Corp	578,478
Intl Bank for Reconstruction & Development	573,740
Inter-American Development Bank	567,878
Federal Farm Credit Bank	543,861

The following schedule indicates the credit and interest rate risk at June 30, 2025. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's and S&P, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

			Maturity					
	Credit Ratings	Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	Amount	
Imprest cash							462	
Cash in banks							3,537	
In custody of Treasurer:								
Cash and cash deposits:								
Cash on hand							14	
Cash in banks							42,407	
Total cash and cash deposits in custody of the Treasurer							42,421	
Investments held by Treasurer:								
Treasury bills	Aaa/AA+	\$ 21,431	538,767	50,591	-	-	610,789	
Federal Farm Credit Bank (FFCB)	Aaa/AA+	-	49,926	35,300	270,042	-	355,268	
FFCB discount notes	Aaa/AA+	39,954	148,639	-	-	-	188,593	
Federal Home Loan Banks (FHLB)	Aaa/AA+	-	-	-	115,773	-	115,773	
FHLB discount notes	P-1/A-1+	898,500	578,170	-	-	-	1,476,670	
Federal National Mortgage Association (FNMA)	Aaa/AA+	-	49,694	-	-	-	49,694	
FNMA Discount Notes	Aaa/AA+	32,113	-	-	-	-	32,113	
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	49,891	-	-	-	-	49,891	
FHLMC Discount Notes	P-1/A-1+	90,467	565	-	-	-	91,032	
State and local government securities	Aaa/AA+	-	-	6,922	-	-	6,922	
Commercial paper	P-1/A-1	438,751	1,393,300	-	-	-	1,832,051	
Washington supranationals notes	Aaa/AAA	-	98,740	97,720	1,473,989	-	1,670,449	
Washington supranationals discount notes	P-1/A-1+	-	49,648	-	-	-	49,648	
Negotiable certificates of deposit	P-1/A-1	209,986	1,378,391	90,012	-	-	1,678,389	
Non-Negotiable certificates of deposit	NR	-	10,000	30,000	-	-	40,000	
Bank money market funds	NR	120,399	-	-	-	-	120,399	
Other assets held by Treasurer (Teeter Plan notes)	NR	-	829	-	33,205	-	34,034	
Local Agency Investment Fund	NR	75,000	-	-	-	-	75,000	
Money market mutual funds	Aaa/AAAm	149,704	-	-	-	-	149,704	
Guaranteed investment contracts	NR	-	-	-	-	22,595	22,595	
Total investments held by Treasurer		2,126,196	4,296,669	310,545	1,893,009	22,595	8,649,014	
Total in custody of Treasurer							8,691,435	
Investments held by fiscal agents:								
Money market mutual funds	Aaa/AAAm	46,478	-	-	-	-	46,478	
Negotiable certificates of deposit	A+	-	-	-	996	-	996	
Total investments held by fiscal agents		46,478	-	-	996	-	47,474	
Total investments		\$ 2,172,674	4,296,669	310,545	1,894,005	22,595		
Total cash and investments							\$ 8,742,908	

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the County's investment in this pool is reported at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The following are condensed statements of net position and changes in net position for the Treasurer's Pool and Non-Pooled Funds as of and for the year ended June 30, 2025:

	Treasurer's Pool	Non-Pooled Funds	Total
Statement of Net Position			
Net position held for pool participants	\$ 7,759,089	1,023,268	8,782,357
Equity of internal pool participants	\$ 2,954,161	583,472	3,537,633
Equity of external pool participants	4,804,928	439,796	5,244,724
Total equity	\$ 7,759,089	1,023,268	8,782,357
Statement of changes in net position			
Net position at July 1, 2024	\$ 7,951,046	1,040,355	8,991,401
Net changes in investments by pool participants	(191,957)	(17,087)	(209,044)
Net position at June 30, 2025	\$ 7,759,089	1,023,268	8,782,357

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2025, are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Governmental securities	\$ 2,976,745	2,946,650	1.750-4.170	7/25-12/29
Washington supranationals notes	1,720,097	1,715,505	0.800-4.190	8/25-5/30
Commercial paper	1,832,051	1,815,251	4.120-4.380	7/25-12/25
Negotiable/Non-Negotiable certificates of deposit	1,718,389	1,718,542	3.980-4.450	7/25-5/26
Other assets held by Treasurer (Teeter Plan notes)	34,034	34,034	4.143	8/25-8/29
Local Agency Investment Fund	75,000	75,000	4.269	N/A
Bank money markets funds	120,399	120,399	4.020-4.050	N/A
Money market mutual funds	149,704	149,704	4.310-4.770	N/A
Guaranteed investment contracts	22,595	22,595	5.301	5/39
Total investments held by Treasurer	\$ 8,649,014	8,597,680		

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Fair Value of Investments

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the County's management. County management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of one dollar and not fair value. Accordingly, the fair value of the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2025. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Market prices for assets held by the Treasurer are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated fair value. When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the County's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

Investments classified at Level 3 represent securities that are entirely owned by the County and have not traded publicly. The securities are priced using a yield-based matrix system or discounted cash flows technique, to arrive at an estimated fair value. Prices that fall between data points are interpolated.

The valuation of 2a-7 Money Market Mutual Funds and Bank Money Market Funds held by the Treasurer is at one-dollar net asset value (NAV) per share. The total value of these investments at June 30, 2025 was \$270,103. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

The valuation of 2a-7 Money Market Mutual Funds held by Fiscal Agents is at one-dollar NAV per share. The total value of these investments at June 30, 2025, was \$46,478. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury, government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities), agency mortgage-backed securities, and short-term high quality municipal obligations that provide income exempt from federal and California state income tax and federal alternative minimum tax.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

At June 30, 2025, the County had the following recurring fair value measurements:

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Treasury bills	\$ 610,789	-	610,789	-
Federal Farm Credit Bank (FFCB)	355,268	-	355,268	-
Federal Home Loan Banks (FHLB)	115,773	-	115,773	-
Federal National Mortgage Association (FNMA)	49,694	-	49,694	-
FFCB discount notes	188,593	-	188,593	-
FHLB discount notes	1,476,670	-	1,476,670	-
Federal Home Loan Mortgage Corporation (FHLMC)	49,891	-	49,891	-
FHLMC Discount Notes	91,032	-	91,032	-
FNMA discount notes	32,113	-	32,113	-
Washington supranationals	1,670,449	-	1,670,449	-
Washington supranationals discount notes	49,648	-	49,648	-
Commercial paper	1,832,051	-	1,832,051	-
Negotiable/Non-Negotiable certificates of deposits	1,718,389	-	1,718,389	-
Negotiable certificates of deposits held by Fiscal Agent	996	-	996	-
State and local government securities	6,922	-	6,922	-
Other assets held by Treasurer (Teeter Plan notes)	34,034	-	-	34,034
Total Investments by fair value level	8,282,312	-	8,248,278	34,034
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy:				
Local Agency Investment Fund	75,000			
Guaranteed investment contracts	22,595			
Total Investments not measured at fair value or subject to fair value hierarchy	97,595			
Investments held by Treasurer measured at NAV:				
Bank money markets funds	120,399			
Money market mutual funds	149,704			
Total Investments measured at NAV	270,103			
Total Investments held by Treasurer	8,649,014			
Total Investments held by Fiscal Agents at NAV: Money market mutual funds	46,478			
Total Investments	\$ 8,696,488			

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

SCERS Pension Trust Fund Deposits and Investment Risk Disclosures

Investment Policies

Article XVI, Section 17 of the Constitution of the State of California provides that “...notwithstanding any other provisions of law or this Constitution, the Retirement Board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of monies and administration of the system...” Article XVI, Section 17(a) further provides that “...the Retirement Board of a public pension or retirement system shall have sole and exclusive fiduciary responsibility over the assets...” The investment authority for SCERS rests primarily through the “prudent person rule,” as set forth in Section 31595 of the 1937 Act, which establishes a standard for all fiduciaries, including anyone with investment authority on behalf of SCERS.

Asset Allocation:

SCERS maintains an overall investment policy designed to achieve a diversified investment portfolio. An integral part of the investment policy is the strategic asset allocation, which is designed to provide an optimal mix of asset classes with return expectations that correspond to expected liabilities. The strategic asset allocation also emphasizes maximum diversification of the portfolio to reduce the range of outcomes that the portfolio is subject, and to protect SCERS from the possibility that a particular asset class may experience poor investment performance in a given period. SCERS’ adopted asset allocation policy as of June 30, 2025 is as follows:

Asset Class	Target Allocation
Equity	40.00%
Fixed Income	18.00%
Private Equity	11.00%
Real Estate	9.00%
Absolute Return	7.00%
Real Assets	7.00%
Private Credit	5.00%
Cash	2.00%
Liquid Real Return	1.00%
	100.00%

Investment Summary

Cash Invested with Sacramento County Treasurer:

SCERS invests cash held for benefit payments and general operations in the County Treasurer’s pool. The County Treasury Oversight Committee is responsible for regulatory oversight of the pool. SCERS share of the County Treasurer’s pool is separately accounted for, and interest earned, net of related expenses, is apportioned quarterly based on the proportion of SCERS average daily cash balance to the total of the pooled cash and investments.

The value of SCERS pooled shares is determined on an amortized cost basis, which approximates fair value. The fair value of SCERS cash invested with the County Treasurer for both pension trust and custodial

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

funds totaled \$6,500 at June 30, 2025. The pool was not rated, and the weighted-average maturity of the pool was 329 days at June 30, 2025.

Interest earned but not received from the County Treasurer at year end is reported as a component of accrued investment income on the Statement of Fiduciary Net Position. Cash and investments included within the County Treasurer's pool are described in the preceding section of this note.

Other Cash and Cash Equivalents:

At June 30, 2025, other cash and cash equivalents constituted balances in bank demand deposit accounts of \$30,300.

Short-Term Investments with Fiscal Agents:

Short-term investments, which include highly-liquid investments expected to be utilized by SCERS within 30-90 days, are reported at fair value. These investments may include securities that have a maturity in excess of 90 days but are readily marketable. At June 30, 2025, the fair value of SCERS short-term investments with fiscal agents was \$433,900. This total consisted of investments in the State Street Short-Term Investment Fund (STIF). The STIF is designed to provide qualified benefit plans with an investment vehicle that may be accessed on a daily basis. The STIF is limited to investing in securities that are rated A-1 by Moody's and P-1 by S&P at the time of issuance. As of June 30, 2025, the STIF is not rated by credit rating agencies. Most investments range in maturity from overnight to 90 days with 36 percent of the investment over 90 days. For the fiscal year ended June 30, 2025, the weighted-average maturity was 36 days.

Fair Value of Investments:

SCERS measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 - Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities accessible on the measurement date.

Level 2 - Fair value is determined using quoted prices in inactive markets or significant observable inputs (including, but not limited to, quoted prices for similar investments, interest rates, foreign exchange rates, volatility and credit spreads), either directly or indirectly. These inputs may be derived principally from, or corroborated by, observable market data through correlation or by other means.

Level 3 - Fair value is determined using unobservable inputs, including situations where there is little market activity, if any, for the asset or liability.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

At June 30, 2025, SCERS had the following fair value measurements:

	Fair Value Measurements by Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Communication Services	\$ 311,581	311,581	-	-
Consumer Discretionary	463,106	463,106	-	-
Consumer Staples	227,556	227,556	-	-
Energy	158,586	158,586	-	-
Financials	712,441	712,441	-	-
Health Care	487,483	487,483	-	-
Industrials	670,136	670,136	-	-
Information Technology	987,658	987,658	-	-
Materials	166,501	166,501	-	-
Private Placement	7,845	7,845	-	-
Real Estate	73,233	73,233	-	-
Utilities	74,022	74,022	-	-
Total Equity Securities	4,340,148	4,340,148	-	-
Fixed Income Securities				
Securitized Obligations Asset-Backed Securities	412,088	-	412,088	-
Credit Obligations				
Corporate Bonds	295,553	108	295,445	-
Municipals	5,382	-	5,382	-
Yankees	41,889	-	41,889	-
U.S. Government and Agency Obligations				
Agency Securities	83,215	-	83,215	-
Treasury Bills	899,761	-	899,761	-
International Government	3,304	-	3,304	-
Collateralized Mortgage Obligations	153,058	-	153,058	-
Mortgage Pass-Through				
Federal Home Loan Mortgage Corporation (FHLMC)	61,438	-	61,438	-
Federal National Mortgage Association (FNMA)	306,175	-	306,175	-
Government National Mortgage Association (GNMA)	179,142	-	179,142	-
Total Fixed Income Securities	2,441,005	108	2,440,897	-
Total Investments by Fair Value Level	\$ 6,781,153	4,340,256	2,440,897	-

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Investments Measured at Net Asset Value (NAV):

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)*	Redemption Notice Period
Equity Commingled Funds	\$ 1,744,248	-	Daily and Monthly	1-60 days
Fixed Income Commingled Funds	9,237	-	Monthly and Quarterly	30-90 days
Real Assets	1,562,892	345,294	Quarterly and 3-Years	90 days
Real Estate	916,286	232,441	Monthly and Quarterly	30-90 days
Absolute Return	1,005,170	-	Monthly and Quarterly	30-90 days
Private Credit	495,465	234,175		
Private Equity	1,808,640	742,070		
Securities Lending Collateral	224,339	-		
Total Investments Measured at NAV	<u>7,766,277</u>			
Total Investments	<u>\$ 14,547,430</u>			

*Not applicable for closed end real estate assets, real estate, private credit, private equity funds, and securities lending collateral

Note: In the event of significant asset outflows for a particular fund, the timing of redemption proceeds could extend beyond those disclosed.

Investments Derivative Instruments:

	Fair Value Measurements by Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Forwards	\$ 292	-	292	-
Options	22	-	22	-
Swaps	131,122	-	131,122	-
Liabilities				
Forwards	(1,101)	-	(1,101)	-
Options	(127)	-	(127)	-
Swaps	(128,563)	-	(128,563)	-
Total Investment Derivative Instruments	<u>\$ 1,645</u>	<u>-</u>	<u>1,645</u>	<u>-</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Equity Securities:

The majority of SCERS domestic and international equity securities are actively traded on major stock exchanges or over-the-counter (OTC). Investments listed or traded on a securities exchange are valued at fair value as of the close of trading on the valuation day. Fair value is determined based on the last reported trade price on the exchange considered to be the primary market for such security. Listed investments that are not traded on a particular day are valued at the last known price which is deemed best to reflect their fair value. Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Fixed Income Securities:

Debt securities consist of investments in customized separate accounts and commingled funds which primarily invest in negotiable obligations of the U.S. Government and U.S. Government-sponsored agencies, U.S. and non-U.S. corporations, securitized offerings backed by residential and commercial mortgages, and non-dollar denominated sovereign states. Debt securities that are not actively traded are valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value, and are classified in Level 2. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the asset type.

Equity and Fixed Income Commingled Funds:

Certain equity and fixed income investments are invested in a commingled fund to provide dedicated exposure to a specific segment of the market and are valued at NAV. An example would be an emerging market equity mandate invested through a commingled fund, or a core plus fixed income mandate where SCERS receives the high yield credit exposure through a commingled fund that is managed by the investment manager. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the fund manager on a continuous basis and audited annually. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

Investments Measured at the Net Asset Value (NAV):

Investments valued using the NAV per share (or its equivalent) are investments in nongovernmental pooled investment vehicles (i.e., limited partner or non-managing member interest or LP/LLC interest). These alternative investments, unlike more traditional investments, generally do not have readily obtainable fair values and are generally valued at the most recent net asset value per unit or based on capital account information available from the general partners of such vehicles. If June 30 valuations are not available, the value is derived from the most recently available valuation taking into account subsequent cash flow activities.

Absolute Return:

Absolute return investments are made on a direct basis in limited partnerships, commingled funds, separate accounts, and through externally managed customized separate accounts (CSA). Each CSA manager's investments consist of portfolio funds and co-investments as well as marketable securities held from time to time as a result of a distribution from a portfolio fund.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Absolute return investments include commingled funds that invest in domestic and international investment strategies including: (1) Market neutral strategies such as equity or fixed income market neutral, fixed income arbitrage, and convertible bond arbitrage; (2) Event driven strategies such as risk arbitrage, merger arbitrage, distressed debt, credit, and other event-driven strategies; (3) Equity and credit long/short strategies where there is a combination of long and short positions primarily in exchange traded securities, with a net market exposure less than 100% of that of the overall equity or fixed income market (strategies may be focused on U.S., non-U.S., and/or specialty mandates); (4) Global Macro strategies such as all market portfolios, opportunistic long-only, managed futures, currency, dedicated short selling strategies or other specialty strategies; and (5) Multi-strategies where absolute return managers invest using a combination of previously described strategies.

Absolute return investments are generally less liquid as compared to equity and fixed income and more liquid as compared to private market investments, such as real assets, real estate, private credit, and private equity. Direct absolute return investments consist of securities traded on national security exchanges, as well as securities that do not have readily determinable fair values (illiquid securities). For CSAs, the fund manager's evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided to them by the portfolio funds, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any.

Typically, the fair value of investments is determined by the fund manager in good faith and in compliance with the following guidelines:

- The value of illiquid investments is determined by the fund manager in good faith and in compliance with the definition of fair value under U.S. GAAP; however, in some circumstances certain illiquid investments may require reporting financial information and valuations in accordance with accounting standards other than U.S. GAAP, such as under International Financial Reporting Standards.
- Securities that are traded on a national securities exchange are valued at their last reported sales prices on the valuation date on the national securities exchange on which such securities are principally traded or on a consolidated tape which includes such exchange, or, if there are no sales on such date on such exchange or consolidated tape, securities are typically valued at the mean between the last "bid" and "asked" prices at the close of trading on such date on the largest national securities exchange on which such securities are traded.
- Securities not traded on a national securities exchange, but traded over-the-counter, are valued at the last reported sales price as reported by the Nasdaq National Market of the Nasdaq Stock Market, or if such prices are not reported by the Nasdaq Stock Market, as reported by the National Quotation Bureau, Inc., or if such prices are not reported by the National Quotation Bureau, the valuation of options or notional principal contracts not traded on a national securities exchange may be determined in good faith by a reliable source selected by the fund manager.
- Commodity interests traded on a United States or foreign exchange are valued at their last reported settlement price on the valuation date on the exchange on which such interests were purchased or sold. Commodity interests not traded on a United States or foreign exchange are valued at the mean between their last "bid" and "asked" prices on the date as of which the value is being determined, as reported by a reliable source selected in good faith by the fund manager.
- Short-term money market instruments and bank deposits are valued at cost plus accrued interest to the date of valuation.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Real Assets and Real Estate:

Real assets and real estate investments are held in limited partnerships. Limited partner interest is valued using the NAV of the partnership. Core and core plus real estate is held typically as a limited partner in a commingled fund and is valued at NAV. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually, and periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment. Real assets and real estate investments are held in open-ended and closed-ended commingled funds. Closed-ended commingled funds are long-term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment. These investments cannot be redeemed with the funds unless sold in a secondary market. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over 2 to 15 years.

Private Credit and Private Equity:

Private credit investments include direct limited partnerships, commingled funds, and separate accounts that invest in direct lending, and opportunistic lending strategies. Private equity investments include limited partnerships, commingled funds, and fund of funds (FoF) that invest in domestic and international private buyouts, venture capital, growth equity, and distressed debt. Private credit and private equity investments are made both on a direct basis in limited partnerships, commingled funds, separate accounts, and through externally managed FoF. Each FoF manager's investments consist of portfolio funds and co-investments as well as marketable securities held from time to time as a result of a distribution from a portfolio fund.

These investments are long-term and illiquid in nature. As a result, limited partners are constrained in their ability to exit a partnership investment prior to its dissolution, other than selling their interest in a private equity secondary market. Distributions are received through cash flows and the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund would be liquidated over 8 to 15 years.

Limited partner interest in commingled funds is valued by using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a recurring basis, audited annually, and periodically appraised by an independent third party.

Typically, the fair value of all investments is determined by the fund manager in good faith and in compliance with the definition of fair value under U.S. GAAP. In some circumstances, partnership agreements require reporting financial information and valuations in accordance with accounting standards other than U.S. GAAP, such as under International Financial Reporting Standards. The measure of fair value by the fund manager is typically conducted on a quarterly basis. Marketable securities are valued according to the most recent public market price with appropriate discounts to reflect any contractual or regulatory restriction upon sale.

The fair value of each investment as reported does not necessarily represent the amount that may ultimately be realized, since such amounts depend upon future circumstances that cannot reasonably

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

be determined until the position is actually liquidated. The evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided by each fund, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any. The evaluation of the fair value of co-investments is based on the most recent information available at the time of valuation ascribed to such investments by the sponsor partnership. If the manager does not agree with this valuation, holds different securities than the sponsor partnership, is unable to obtain the sponsor partnership's valuation, or has information that results in a different valuation, the manager may use their own internal evaluation of fair value. The assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Investment Derivative Instruments:

The fair values of derivative contracts can be affected by changes in interest rates, foreign exchange rates, commodity prices, credit spreads, market volatility, expected return, liquidity and other factors. The majority of SCERS derivative instruments are traded in the Over The Counter (OTC) derivative market and are classified within Level 2. OTC derivatives classified within Level 2 are valued using models that utilize actively quoted or observable market input values from external market data providers, third-party pricing vendors and/or recent trading activity. The fair values of OTC derivatives for swaps and forward contracts are determined using discounted cash flow models. The fair values of option contracts and warrants are determined using Black-Scholes option pricing models. These models' key inputs include the contractual terms of the respective contract along with significant observable inputs, including interest rates, currency rates, credit spreads, equity prices, index dividend yield, volatility, and other factors. The fair value of rights is calculated using the same parameters used for pricing options, including the rights' subscription price, prevailing interest rates, time to expiration, and the share price of the underlying stock, taking into consideration the level of its volatility. Futures positions are exchange traded and settle in cash on a daily basis and thus have no fair value.

Annual Money-Weighted Rate of Return:

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.10 percent.

Securities Lending

State statutes permit SCERS to participate in securities lending transactions and, pursuant to a Securities Lending Authorization Agreement, SCERS has authorized State Street Bank and Trust Company (State Street) to act as its agent in lending SCERS securities to broker-dealers and banks pursuant to an approved loan agreement.

During the fiscal year ended June 30, 2025, on behalf of SCERS, State Street loaned securities held by State Street as custodian, including U.S. government and agency obligations, domestic corporate bonds, and domestic and international equities and received, as collateral, U.S. and foreign currency, U.S. government bonds, U.S. corporate bonds, U.S. equity, and international equity securities. SCERS does not have the ability to pledge or sell security collateral absent a borrower's defaults. Borrowers are required to deliver collateral for each loan equal to a minimum of 100% of the fair value of the loaned security.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

During the fiscal year ended June 30, 2025, SCERS did not impose any restrictions on the amount of the loans that State Street made on its behalf and there were no failures to return loaned securities or pay distributions thereon by any borrowers. Moreover, there were no losses resulting from a default of the borrowers or State Street.

SCERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. Since the collateral received from the borrowers was greater than the amounts borrowed, SCERS had minimal credit risk exposure to the borrowers. Furthermore, the lending agreement with State Street requires the custodian to indemnify SCERS if the borrower fails to return the loaned securities.

Additional information regarding the cash collateral investment pool (collateral pool) follows:

Method for Determining Fair Value - The fair value of investments held by the collateral pool is based upon valuations provided by a recognized pricing service.

Policy for Utilizing Amortized Cost Method - Because the collateral pool does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940, State Street has valued the collateral pool investments at fair value for reporting purposes.

Regulatory Oversight - The collateral pool is not registered with the Securities and Exchange Commission. State Street, and consequently the investment vehicles it sponsors (including the collateral pool), are subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of SCERS position in the collateral pool is the same as SCERS pro rata share of the collateral pool.

Collateral and related securities on loan at June 30, 2025 is as follows:

Security Description	Fair Value of Reinvested Cash Collateral	Cash Collateral Value	Non-Cash Collateral Value	Fair Value of Securities on Loan
Fixed Income	\$ 173,236	170,462	133,257	304,175
Equity	51,103	50,206	50,575	101,146
Total	<u>\$ 224,339</u>	<u>220,668</u>	<u>183,832</u>	<u>405,321</u>

Securities Lending Collateral Credit Risk:

All of the cash collateral received for securities lending is invested in the State Street Compass Fund Liquidity Pool (Compass Fund), which is not rated by credit rating agencies. At the time of purchase, all securities with maturities of 13 months or less must be rated at least A1, P1 or F1 and all securities with maturities in excess of 13 months must be rated A- or A3 by any two of the nationally recognized statistical rating organizations or, if unrated, be of comparable quality. The fund may invest in other State Street managed vehicles provided they conform to the guidelines.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Securities Lending Collateral Interest Rate Risk:

The Compass Fund's Investment Policy Guidelines provide that the lending agent shall maintain the dollar-weighted average maturity of the Compass Fund in a manner that the lending agent believes is appropriate to the objective of the Compass Fund, provided that (i) in no event shall any Eligible Security be acquired with a remaining legal final maturity of greater than 18 months, (ii) the lending agent shall maintain a dollar-weighted average maturity of the Compass Fund not to exceed 75 calendar days and (iii) the lending agent shall maintain a dollar-weighted average maturity to final of the Compass Fund not to exceed 180 calendar days. As of June 30, 2025, the weighted average maturity was 10.52 days.

Deposit and Investment Risks:

Pursuant to GASB Statement No. 40, Deposit and Investment Risk Disclosures, the following schedules disclose SCERS investments subject to certain types of risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally-recognized statistical rating organizations. The ratings used to determine the quality of the individual securities are the ratings provided by S&P. If there are no ratings provided by S&P, then the ratings provided by Moody's and Fitch Ratings are used, respectively.

SCERS utilizes external investment managers to manage its portfolios. SCERS' Investment Policy specifies that fixed income investments will include both active and passive index investments in U.S. Treasury and agency securities, corporate bonds, mortgage-backed and asset-backed securities and non-dollar denominated sovereign and corporate debt.

SCERS' portfolio is comprised of actively-managed investment strategies in which each strategy will have a minimum average credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO). Portfolio diversification is constrained by investment guideline parameters for each individual strategy in order to minimize overall market and credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The following table depicts the fixed income assets by credit ratings as of June 30, 2025:

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
Aaa	\$ 220,896	120,914	571	-	-	-	99,411	-	-	-
AA+	261,297	2,193	672	-	33,381	-	7,206	40,046	177,799	-
AA-1	49,062	99	-	-	48,891	-	72	-	-	-
AA	13,843	8,283	3,317	-	-	-	2,243	-	-	-
AA-2	3,319	2,601	55	-	-	-	663	-	-	-
AA-	6,763	-	5,187	-	-	-	1,576	-	-	-
AA-3	3,155	-	442	-	-	-	2,713	-	-	-
A+	15,779	238	15,199	-	342	-	-	-	-	-
A-1	1,511	-	1,312	-	-	-	199	-	-	-
A	41,056	2,369	38,584	-	-	-	103	-	-	-
A-2	308	-	-	-	-	-	308	-	-	-
A-3	2,925	-	548	-	-	-	2,377	-	-	-
A-	52,439	1,357	49,615	-	-	-	1,467	-	-	-
BBB+	72,675	812	71,008	-	202	-	653	-	-	-
BAA-1	1,050	-	1,050	-	-	-	-	-	-	-
BBB	57,628	3	57,343	-	-	-	282	-	-	-
BAA-2	413	-	413	-	-	-	-	-	-	-
BBB-	41,086	784	38,118	-	206	832	1,146	-	-	-
BAA-3	4,828	-	3,445	-	-	-	1,383	-	-	-
BB+	17,691	686	16,458	-	-	-	547	-	-	-
BB	14,956	1,923	11,801	-	-	1,232	-	-	-	-
BA-2	1,032	-	-	-	-	1,032	-	-	-	-
BB-	6,432	-	6,031	-	193	208	-	-	-	-
BA-3	273	-	273	-	-	-	-	-	-	-
B+	8,535	-	8,070	-	-	-	465	-	-	-
B-1	538	456	-	-	-	-	82	-	-	-
B	7,090	-	7,090	-	-	-	-	-	-	-
B-2	377	-	377	-	-	-	-	-	-	-
B-	3,440	-	3,440	-	-	-	-	-	-	-
CCC+	1,473	-	1,473	-	-	-	-	-	-	-
CCC	1,206	-	341	-	-	-	865	-	-	-
CAA-2	429	429	-	-	-	-	-	-	-	-
CCC-	72	-	72	-	-	-	-	-	-	-
CC	246	246	-	-	-	-	-	-	-	-
WR	234	-	-	-	-	-	234	-	-	-
NA*	1,078,903	-	-	-	899,761	-	-	-	-	179,142
NR**	457,282	268,695	519	9,237	-	-	29,063	21,392	128,376	-
Total	<u>\$ 2,450,242</u>	<u>412,088</u>	<u>342,824</u>	<u>9,237</u>	<u>982,976</u>	<u>3,304</u>	<u>153,058</u>	<u>61,438</u>	<u>306,175</u>	<u>179,142</u>

* NA represents securities explicitly guaranteed by the U.S. government, which are not subject to the GASB Statement No. 40 credit risk disclosure requirements.

** NR represents securities that are not rated.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2025, SCERS had no single issuer that exceeds 5% of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% or more of total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements.

SCERS investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer, and as of June 30, 2025, SCERS had no issuer that exceeds 5% of total portfolio fair value. As noted in the previous discussion of credit risk, manager investment guidelines place limitations on the maximum holdings in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, SCERS would not be able to recover the value of its deposits, investments, or securities. As of June 30, 2025, the bank balance of cash and cash equivalents on deposit with SCERS' custodian bank and financial institutions totaled \$16,300, of which \$16,000 was not insured by the Federal Depository Insurance Corporation (FDIC) and were exposed to custodial credit risk. SCERS believes that the risk is not significant because the cash is held with major financial institutions.

As of June 30, 2025, deposits held in SCERS name for the margin accounts of \$14,100 was not insured or not collateralized, and these deposits were exposed to custodial credit risk.

As of June 30, 2025, 100% of SCERS investments held with the custodian were held in SCERS name, and SCERS is not exposed to custodial credit risk related to these investments. There are no general policies relating to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SCERS employs the WAM method to assess and disclose its interest rate risk. WAM measures the average time securities in the investment portfolio reach maturity, with each security's maturity date weighted by its market value. This approach helps to quantify the sensitivity of the portfolio to changes in interest rates. Securities with longer maturities typically exhibit greater price sensitivity to interest rate fluctuations.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The following tables depict the duration in years of the long-term fixed income portfolio as of June 30, 2025.

Types of Securities	Fair Value	Weighted Average Maturity (Years)
Securitized Obligations		
Asset-Backed Securities	\$ 412,088	1.11
Credit Obligations		
Corporate Bonds	295,553	1.44
Municipals	5,382	0.08
Yankees	41,889	0.31
U.S. Government and Agency Obligations		
Agency Securities	83,215	0.14
Treasury Bills	899,761	3.46
International Government	3,304	0.01
Collateralized Mortgage Obligations	153,058	1.58
Mortgage Pass-Through		
FHLMC	61,438	0.65
FNMA	306,175	3.29
GNMA	179,142	2.10
Commingled Fund	9,237	0.00
Total Fair Value with Weighted Average Maturity	<u>\$ 2,450,242</u>	1.29

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following table represents cash and investments held in a foreign currency as of June 30, 2025:

Local Currency Name	Cash and Cash Equivalents	Equity	Fixed Income	Real Assets	Real Estate	Private Credit	Private Equity	Total
Australian Dollar	\$ 292	60,198	-	-	-	-	-	60,490
Canadian Dollar	2,386	131,611	-	-	-	-	-	133,997
Danish Krone	1,112	49,418	-	-	-	-	-	50,530
Euro Currency	4,879	560,657	17,390	21,960	198,101	33,088	129,583	965,658
Hong Kong Dollar	541	35,385	-	-	-	-	-	35,926
Japanese Yen	1,469	314,055	-	-	13,377	-	-	328,901
New Israeli Shekel	4	40,571	-	-	-	-	-	40,575
New Zealand Dollar	18	139	-	-	-	-	-	157
Norwegian Krone	743	10,616	-	-	-	-	-	11,359
Polish Zloty	89	-	-	-	-	-	-	89
Pound Sterling	3,599	254,597	2,784	-	287	-	-	261,267
Singapore Dollar	152	20,618	-	-	-	-	-	20,770
Swedish Krona	2	46,082	-	-	-	-	-	46,084
Swiss Franc	183	123,063	-	-	-	-	-	123,246
Total	<u>\$ 15,469</u>	<u>1,647,010</u>	<u>20,174</u>	<u>21,960</u>	<u>211,765</u>	<u>33,088</u>	<u>129,583</u>	<u>2,079,049</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Foreign currency is comprised of international investment proceeds and income to be repatriated into U.S. dollars and funds available to purchase international securities. SCERS does not have a foreign currency risk policy.

Highly Sensitive Investments

As of June 30, 2025, SCERS' investments included Collateralized Mortgage Obligations and Mortgage Pass-Through securities totaling \$699,800. These securities are highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates. The resulting reduction in expected total cash flows affects the fair value of these securities.

As of June 30, 2025, total commodities investments were \$33,300. The investments consist of commodity futures hedge fund-of-funds and exposure through a customized, diversified real assets strategy.

Spot commodity prices have historically been a poor investment and have declined in real terms. However, investment in collateralized commodity futures can provide higher returns. The futures market is an efficient way for producers to hedge price risk by forward-selling commodities at lower prices relative to spot prices to investors and speculators generating a roll yield (backwardation).

In general, commodities are volatile investments that are prone to large price spikes. By investing in commodity futures, investors get exposure to short-term price movement and risk, as well as long-term price trends. This price volatility and the need for producers to hedge their production provides the fundamental rationale for why investment managers pay the risk premium to speculators and long-only investors in the commodity markets.

Derivative Instruments

SCERS investment portfolios contain individual securities as well as investments in external investment pools. SCERS investment policy allows investment managers to use derivative instruments for certain purposes and within certain parameters. Such instruments include futures contracts, currency forward contracts, option contracts, swap agreements, and rights and warrants. SCERS uses derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets, as an alternative to investments in the cash market in which the manager is permitted to invest, and as an additional yield curve and/or duration management strategy. SCERS does not use derivative instruments for speculative purposes or to create leverage, however, this does not apply to investments in external pools. As of June 30, 2025, the derivative instruments held by SCERS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The table below presents the related net appreciation/(depreciation) in fair value, the fair value and the notional value of derivative instruments outstanding at June 30, 2025:

Investment Derivative Instruments	Net Appreciation/ (Depreciation) in Fair Value of Investments	Financial Statement Classification	Fair Value	Notional
Forwards	\$ (1,723)	Investment Sales and Other	(809)	62,802
Futures	16,297	Investment Sales and Other	-	503,882
Options	252	Investment Purchases and Other	(105)	(6,551)
Rights/Warrants	44	Investment Sales and Other	-	-
Swaps	1,816	Investment Purchases and Other	2,559	128,676
Total Derivative Instruments	<u>\$ 16,686</u>		<u>1,645</u>	

Futures contracts are financial instruments that derive their value from underlying indices or reference rates and are marked-to-market at the end of each trading day. Daily settlement of gains and losses occur on the following business day. As a result, the instruments themselves have no fair value at June 30, 2025, or at the end of any trading day. Daily settlement of gains and losses is a risk control measure to limit counterparty credit risk. Futures variation margin amounts are settled each trading day and recognized in the financial statements under Investment income, net as they are incurred.

Forward contracts are obligations to buy or sell a currency or other commodity at a specified exchange rate and quantity on a specific future date. The fair value of the foreign currency forwards is the unrealized gain or loss calculated based on the difference between the specified exchange rate and the closing exchange rate at June 30, 2025.

Counterparty Credit Risk:

The tables below presents the counterparty credit ratings of SCERS non-exchange traded investment derivative instruments outstanding and subject to loss at June 30, 2025:

S&P Rating	Forwards	Swaps	Total
A +	\$ 147	9	156
A	14	-	14
A-	113	-	113
BBB+	-	3,033	3,033
Investments in Asset Position	274	3,042	3,316
Investment in Liability Position	(1,083)	(365)	(1,448)
Total investments in Asset/(Liability) Position	<u>\$ (809)</u>	<u>\$ 2,677</u>	<u>\$ 1,868</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

SCERS could be exposed to risk if the counterparties to derivative instruments are unable to meet the terms of the contracts. SCERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. SCERS anticipates that the counterparties will be able to satisfy their obligations under the contracts.

The aggregate fair value of investment derivative instruments in an asset position subject to counterparty risk at June 30, 2025, was \$3,300. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. SCERS did not have any master netting agreements with its counterparties at June 30, 2025, except that certain investment managers used netting arrangements at their discretion to minimize counterparty risks. The above schedules present exposure for similar instruments with the same counterparty on a net basis.

At June 30, 2025, SCERS did not have any significant exposure to counterparty credit risk with any single party.

Interest Rate Risk:

At June 30, 2025, SCERS is exposed to interest rate risk on its derivative instruments as presented in the following tables:

Investment Type	Total Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Credit Default Swaps Bought	\$ (369)	-	(369)	-	-
Credit Default Swaps Written	2,090	7	2,083	-	-
Fixed Income Options Bought	4	4	-	-	-
Fixed Income Options Written	(3)	(3)	-	-	-
Interest Rate Swaps	838	2	(27)	448	415
Total	<u>\$ 2,560</u>	<u>10</u>	<u>1,687</u>	<u>448</u>	<u>415</u>

Derivative Instruments Highly Sensitive to Interest Changes:

Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Receive Variable 12-month Sterling Overnight Index Average (SONIA), Pay Fixed 1%	\$ 74	\$ 3,138
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	72	459
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.2%	42	212
Interest Rate Swaps	Receive Variable 12-month Secured Overnight Financing Rate (SOFR), Pay Fixed 1.35%	245	550
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 4.80509%	(4)	8,330
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 4.699%	(27)	2,360
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 3.85%	27	2,235
Interest Rate Swaps	Receive Variable 0-month SOFR, Pay Fixed 4.699%	(65)	10,545
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 3.1355%	79	3,355
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 3.82501%	46	2,700
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 3.92682%	5	1,745
Interest Rate Swaps	Receive Variable 0-month Canadian Overnight Repo Rate Average (CORRA), Pay Fixed 2.9475%	(2)	5,112
Interest Rate Swaps	Receive Variable 0-month CORRA, Pay Fixed 2.9675%	(11)	5,112
Interest Rate Swaps	Pay Variable 12-month SOFR, Receive Fixed 4.395%	(2)	15,910
Interest Rate Swaps	Pay Variable 12-month SOFR, Receive Fixed 3.99487%	13	3,540
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 4.079%	169	5,134
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 4.097%	177	5,134
Total Interest Rate Swaps		<u>\$ 838</u>	<u>75,571</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Foreign Currency Risk

At June 30, 2025, SCERS was exposed to foreign currency risk on its investments in forward contracts and swaps denominated in foreign currencies as presented in the following table:

Currency Name	Forward Contracts		Swaps	Total Exposure
	Net Receivables	Net Payables		
Exposure				
Brazilian Real	\$ 78	(14)	-	64
Canadian Dollar	2	(13)	(13)	(24)
Chilean Peso	(1)	-	-	(1)
Czech Koruna	-	(36)	-	(36)
Euro Currency	104	(793)	(21)	(710)
Hungarian Forint	9	-	-	9
Indian Rupee	(1)	(7)	-	(8)
Indonesian Rupiah	6	-	-	6
Japanese Yen	(20)	3	-	(17)
Mexican Peso	10	(9)	-	1
New Taiwan Dollar	(1)	(16)	-	(17)
Peruvian Sol	11	-	-	11
Philippine Peso	10	-	-	10
Polish Zloty	5	-	-	5
Pound Sterling	-	(133)	189	56
Singapore Dollar	-	(20)	-	(20)
South African Rand	(1)	(2)	-	(3)
South Korean Won	9	(2)	-	7
Thailand Baht	1	-	-	1
Turkish Lira	16	-	-	16
Yuan Renminbi	-	(4)	-	(4)
Grand Total	<u>\$ 237</u>	<u>(1,046)</u>	<u>155</u>	<u>(654)</u>

SCERS has investments in futures contracts. As indicated on the preceding pages, futures variation margin accounts are settled each trading day and recognized as realized gains/(losses) as they are incurred. As a result, the foreign futures contracts have no fair value at June 30, 2025.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 5 - Capital Assets

Capital assets activity for the fiscal year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,677	1,848	(1,156)	136,369
Construction in progress	59,720	42,823	(38,044)	64,499
Permanent easement	22,964	366	(557)	22,773
Intangible assets under development	66	-	-	66
Total capital assets not being depreciated	218,427	45,037	(39,757)	223,707
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,010,595	46,662	(24,632)	1,032,625
Infrastructure	3,598,176	123,212	-	3,721,388
Machinery and equipment	360,168	34,250	(35,059)	359,359
Intangible - computer software	34,531	5,071	(3,810)	35,792
Intangible right-to-use lease buildings	364,564	15,089	(5,017)	374,636
Intangible right-to-use lease machinery and equipment	139	-	(2)	137
Intangible right-to-use SBITAs	22,808	16,914	(2,758)	36,964
Total capital assets being depreciated/amortized	5,390,981	241,198	(71,278)	5,560,901
Less accumulated depreciation/amortization for:				
Buildings and improvements	(687,342)	(26,218)	11,660	(701,900)
Infrastructure	(2,393,163)	(69,296)	-	(2,462,459)
Machinery and equipment	(249,761)	(31,797)	34,568	(246,990)
Intangible - computer software	(32,029)	(1,687)	3,798	(29,918)
Intangible right-to-use lease buildings	(99,557)	(37,862)	4,844	(132,575)
Intangible right-to-use lease machinery and equipment	(53)	(51)	2	(102)
Intangible right-to-use SBITAs	(11,653)	(8,432)	2,758	(17,327)
Total accumulated depreciation/amortization	(3,473,558)	(175,343)	57,630	(3,591,271)
Total capital assets, being depreciated/amortized	1,917,423	65,855	(13,648)	1,969,630
Total governmental activities	\$ 2,135,850	110,892	(53,405)	2,193,337
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,737	278	(839)	135,176
Construction in progress	231,739	275,745	(118,718)	388,766
Permanent easement	57	5	-	62
Water facility rights	200,692	-	-	200,692
Other intangible assets	1,904	-	-	1,904
Total capital assets not being depreciated/amortized	570,129	276,028	(119,557)	726,600
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,695,173	63,793	(865)	2,758,101
Infrastructure	278,677	66,396	-	345,073
Machinery and equipment	144,202	26,506	(3,529)	167,179
Computer software	945	-	-	945
Water facility rights	1,273	-	-	1,273
Intangible right-to-use lease buildings	6,340	-	(19)	6,321
Intangible right-to-use lease machinery and equipment	17,812	1,485	(3,463)	15,834
Intangible right-to-use SBITAs	861	138	(8)	991
Total capital assets being depreciated/amortized	3,145,283	158,318	(7,884)	3,295,717
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,149,558)	(78,072)	8	(1,227,622)
Infrastructure	(75,997)	(6,316)	-	(82,313)
Machinery and equipment	(92,305)	(12,061)	3,522	(100,844)
Computer software	(701)	(59)	-	(760)
Water facility rights	(582)	(25)	(4)	(611)
Intangible right-to-use lease buildings	(1,838)	(629)	(1)	(2,468)
Intangible right-to-use lease machinery and equipment	(6,419)	(4,519)	3,460	(7,478)
Intangible right-to-use SBITAs	(361)	(253)	9	(605)
Total accumulated depreciation/amortization	(1,327,761)	(101,934)	6,994	(1,422,701)
Total capital assets, being depreciated/amortized, net	1,817,522	56,384	(890)	1,873,016
Total business-type activities	\$ 2,387,651	332,412	(120,447)	2,599,616

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

	Depreciation/ Amortization Expense
Governmental activities:	
General government	\$ 18,509
Public assistance	16,374
Public protection	29,327
Health and sanitation	15,423
Public ways and facilities	58,759
Recreation and culture	4,323
Education	948
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	31,680
Total depreciation expense - governmental activities	<u>\$ 175,343</u>
Business-type activities:	
Airport	\$ 62,323
Solid Waste	15,150
Water Agency	24,024
Parking Enterprise	153
County Transit	284
Total depreciation expense - business-type activities	<u>\$ 101,934</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 6 - Interfund Transactions

The following summarizes transfers as of and for the fiscal year ended June 30, 2025.

Transfers Out / In Other Funds for the fiscal year ended June 30, 2025, are as follows:

Transfer Out	Transfer In	Amount	Description
General	Nonmajor governmental	\$ 152,107	Transfer to cover debt service payments and to provide support for special revenue activities
Nonmajor governmental	General	13,266	Transfer to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	25,221	Transfer to cover debt service payments and fund capital projects
Internal service	Nonmajor governmental	11,757	Transfer to cover Pension Obligation Bond and other debt service and payments
Enterprise - Water Agency	Nonmajor governmental	1,328	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	3,170	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	2,380	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	26	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	General	693	Transfer to cover expenditures related to Edible Food Recovery Project
Enterprise - Water Agency	General	100	Transfer to cover expenditures related to opposing State's Delta Conveyance Project
	Total	<u>\$ 210,048</u>	

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 7 - Leases & SBITAs

Lease Income and Receivables

The County leases out several of its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewal provisions at the option of the County, generally for 3 or 5 year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rates, ranging from 0.20 percent to 5.00 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be received during the lease term period.

Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new leases and therefore will not immediately realize any reduction in residual value at the end of its leases.

Minimum lease payments receivable on leases of Buildings and Land are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,864	472	6,296	843
2027	1,904	426	6,270	694
2028	1,704	379	5,575	545
2029	1,683	338	3,461	439
2030	1,748	297	1,655	371
2031-2035	6,546	871	4,417	1,467
2036-2040	1,704	541	3,369	882
2041-2045	391	496	1,231	570
2046-2050	116	481	219	440
2051-2055	9	471	9	428
2056-2060	104	452	82	425
2061-2065	127	418	174	414
2066-2070	67	405	287	395
2071-2075	151	396	426	364
2076-2080	255	379	595	320
2081-2085	384	351	801	260
2086-2090	541	311	1,051	179
2091-2095	731	257	1,351	75
2096-2100	962	183	-	-
2101-2105	1,240	87	-	-
2106-2110	207	4	-	-
Total	<u>\$ 22,438</u>	<u>8,015</u>	<u>37,269</u>	<u>9,111</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The total amount of revenue (inflows of resources) relating to leases recognized in the current fiscal year is as follows:

For the Fiscal Year ended June 30, 2025	Governmental Activities	Business-type Activities
Lease revenue	\$ 2,267	6,892
Interest revenue	490	895

The County's Airports Department has contracts which qualify to be treated as regulated leases in accordance with the requirements of GASB Statement No. 87. Regulated leases for airports are not subject to GASB Statement No. 87 financial reporting rules and are governed by the Federal Aviation Administration (FAA). Regulated leases include Airline Use and Lease Agreements (ULA), which address the rights, services, and privileges, including the lease of preferentially-assigned gates, which an airline has in connection with the use of the airport and its facilities. The Airports Department has 26 preferential and 6 common use gates. Of the 26 preferential gates, 15 are located in the Airport's Terminal B and 11 in Terminal A. There are 6 airlines with preferential gates. Other regulated leases include the lease of ground, terminal, hangar, and other premises. The Airports Department has not issued any debt for which the principal and interest payments are secured by lease payments.

The County recognized \$87,514 of total amount of inflows of resources during the current fiscal year related to these arrangements. The amount of inflows of resources recognized in the current fiscal year for variable payments is \$5,803.

As of June 30, the remaining amount of expected future payments under these contracts/arrangements amounts to \$215,312, which is expected to be received for each of the subsequent five years and in five-year increments thereafter, as stated below.

For the Fiscal Year ending June 30	Expected Future Minimum Payments
2026	\$ 87,205
2027	87,178
2028	3,018
2029	2,928
2030	2,705
2031-2035	10,513
2036-2040	6,624
2041-2045	4,324
2046-2050	3,626
2051-2055	3,626
2056-2060	3,026
2061-2065	539
Total	<u>\$ 215,312</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Lease Payable

As a lessee, the County is obligated under leases covering buildings, land, and equipment that expire at various dates during the next 17 years.

The County entered into various contracts as lessee primarily for office space, land, heavy equipment, and office equipment. Most of the contracts have initial terms of up to 20 years, and some renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease contracts generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments, ranging from 0.38 percent to 3.43 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be paid during the lease term period.

The future principal and interest lease payments as of June 30, 2025 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 35,439	4,162	4,143	262	107	2
2027	34,760	3,629	3,346	158	110	1
2028	31,585	3,109	2,400	79	85	1
2029	29,552	2,589	1,192	32	-	-
2030	28,532	2,093	562	18	-	-
2031-2035	92,082	4,149	1,028	12	-	-
2036-2040	6,190	285	-	-	-	-
2041-2045	1,273	15	-	-	-	-
Total	<u>\$ 259,413</u>	<u>20,031</u>	<u>12,671</u>	<u>561</u>	<u>302</u>	<u>4</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

SBITAs Payable

The County entered into various Subscription-Based Information Technology Arrangements (SBITAs). Most of the contracts have initial three-year terms, and the remainder of the contracts contain terms which range from two to ten years. Some contracts contain renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the SBITA term when it is reasonably certain that the renewal option(s) will be exercised. Many of the County's SBITA contracts also include options to extend contract terms upon mutual agreement with the vendor, and some contracts contain termination options where either party may terminate the contract at any time for any reason. Such period(s) are excluded from the subscription terms. Certain SBITAs require additional payments for infrastructure technology (IT) support, training, and maintenance fees, which are expensed as incurred. As the interest rate implicit in the County's SBITAs is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments, ranging from 1.87 percent to 3.43 percent depending on SBITA maturity dates, to measure the present value of the SBITA payments expected to be paid during the lease term period.

The County entered into a SBITA contract with Grant Street Group in February 2023 to provide property tax processing software for a period of ten years. This SBITA was in the implementation stage as of June 30, 2025 and was placed into service September 2025. The County recognized initial implementation costs as a prepaid SBITA asset in the amount of \$25,402 and will capitalize these costs as an addition to the subscription asset once it is placed into service. Total implementation costs are expected to be \$31,451.

The future principal and interest SBITA payments as of June 30, 2025 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 6,595	554	254	7	65	4
2027	2,487	387	42	1	67	1
2028	2,396	300	-	-	-	-
2029	2,064	226	-	-	-	-
2030	2,226	161	-	-	-	-
2031-2035	3,982	112	-	-	-	-
Total	<u>\$ 19,750</u>	<u>1,740</u>	<u>296</u>	<u>8</u>	<u>132</u>	<u>5</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 8 - Long-Term Obligations

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2025:

	Balance July 1, 2024(a)	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Governmental activities:					
Compensated absences (b)	\$ 319,483	8,107(b)	-	327,590	203,799
General obligation bonds	10,000	12,200	(690)	21,510	145
Certificates of participation	98,284	-	(11,533)	86,751	12,107
Teeter notes	28,034	33,914	(27,914)	34,034	9,012
Pension obligation bonds	252,960	-	(123,985)	128,975	111,325
Direct placement bonds	180,335	-	(680)	179,655	705
Revenue bonds	247,351	-	(10,763)	236,588	6,673
Accreted interest	12,491	3,278	(521)	15,248	537
Other long-term debt	2,358	509	(711)	2,156	767
Litigation liability	60,093	-	(5,915)	54,178	6,093
Financed purchase obligations	24,196	-	(7,654)	16,542	6,542
Lease liability	278,979	14,556	(34,122)	259,413	35,439
SBITA liability	10,970	16,914	(8,134)	19,750	6,595
Unamortized amounts					
Issuance premiums	40,689	750	(2,380)	39,059	(2,374)
Issuance discounts	(609)	-	191	(418)	191
Total governmental activities - long-term obligations	<u>\$ 1,565,614</u>	<u>90,228</u>	<u>(234,811)</u>	<u>1,421,031</u>	<u>397,556</u>
Business-type activities:					
Compensated absences (b)	\$ 21,486	699(b)	-	22,185	13,446
Revenue bonds	865,245	529,045	(93,170)	1,301,120	32,975
PFC and subordinate revenue bonds	202,110	-	(6,600)	195,510	7,275
Reimbursement agreements	983	-	(328)	655	328
Financed purchase obligations	8,253	-	(1,531)	6,722	1,562
Loan agreements	34,414	81,215	(612)	115,017	639
Revolving line of credit agreement	20,026	-	(20,000)	26	26
Lease liability	16,224	1,485	(5,038)	12,671	4,143
SBITA liability	425	138	(267)	296	254
Unamortized amounts					
Issuance premiums	89,300	70,137	(12,264)	147,173	-
Total business-type activities - long-term obligations	<u>\$ 1,258,466</u>	<u>682,719</u>	<u>(139,810)</u>	<u>1,801,375</u>	<u>60,648</u>
Component Unit (First 5 Commission):					
Compensated absences	\$ 549	20	-	569	311
Lease liability	405	-	(103)	302	107
SBITA liability	5	201	(74)	132	65
Total component unit	<u>\$ 959</u>	<u>221</u>	<u>(177)</u>	<u>1,003</u>	<u>483</u>

(a) Beginning balances were restated to update the measurement guidance as part of implementation of GASB Statement No. 101 Compensated Absences

(b) Amounts reported display the net change to Compensated Absences per GASB Statement No. 101 Compensated Absences

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$24,853 of the internal service funds compensated absences balance and \$15,000 of the internal service funds financed purchase obligations balance is included in governmental activities and \$7,779 in lease & SBITA obligations. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and internal service funds.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2025 are as follows:

Governmental Activities:

Certificates of Participation (COP):

Amount
Outstanding at
June 30, 2025

County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003, in an aggregate principal amount of \$36,150. Principal payments are due December 1, 2025 through December 1, 2034, escalating from \$1,415 to \$2,160, with an interest rate at 5 percent. This issuance is collateralized by the base rental payments from the Juvenile Courthouse project. There is no accelerated payment schedule if payment goes into default.	\$ 17,515
County of Sacramento 2018 Certificates of Participation issued on November 28, 2018, in an aggregate principal payment of \$89,125. The County issued the 2018 bonds to refund and defease \$39,703 of outstanding debt for 1994/97 Refunding Certificates of Participation as Series 2018A and Series 2018B for the three Certificates of Participation; \$9,729 for 2003 Public Facilities Projects - ADA Improvements; \$16,355 for 2006 Public Facilities Project; \$34,198 for 2007 Certificates of Participation to pay costs of issuance, and debt service reserve of \$798. Principal payments are due October 1, 2025 through the October 1, 2033. Payments escalate from \$4,300 to \$4,755 for Series 2018A and \$490 to \$2,755 for Series 2018B, with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Coroner/Crime Lab, Data Center, and a County-owned Fleet Facility. There is no accelerated payment schedule if payment goes into default.	48,305
County of Sacramento 2020 Certificates of Participation issued on October 22, 2020, in an aggregate principal payment amount of \$27,080. The County issued the 2020 bonds to refund and defease \$39,755 of outstanding debt for 2010 Certificates of Participation, and debt service reserve of \$3,231. Principal payments are due October 1, 2025 through October 1, 2029. Payments escalate from \$2,980 to \$3,645 with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Sacramento Detention Facility, Cherry Island Golf Course, and a County-owned parking garage. There is no accelerated payment schedule if payment goes into default.	16,530
On November 19, 2020 the Sunrise Recreation & Park District (SRPD) Board approved the issuance of Certificates of Participation in an aggregate principal payment amount of \$5,421. SRPD issued the bonds to refund and defease \$5,485 of outstanding debt for SRPD's previous Certificates of Participation issued in June 2006. Principal payments are due September 1, 2025 through September 1, 2037, escalating from \$276 to \$408, with interest at 3.25 percent. There is no accelerated payment schedule if payment goes into default.	4,401
Total certificates of participation	86,751
Add: Issuance premium	8,794
	<u>\$ 95,545</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

General Obligation Bonds (GOB):

The Carmichael Recreation and Park District (CRPD) has been authorized to issue \$31,900 of general obligation bonds to finance improvements and property of CRPD. On March 9, 2023, the CRPD Board issued \$5,360 Series 2023A-1 Bonds with an interest rate of 5.00 percent. Interest payments are due August 1, 2025 through August 1, 2052, with principal payments due August 1, 2044 through August 1, 2052 escalating from \$395 to \$830. On March 9, 2023, the CRPD Board also issued \$4,640 Series 2023A-2 Federally Taxable bonds with an interest rate escalating from 4.95 percent to 5.80 percent between August 1, 2025 to August 1, 2043. Principal payments are due August 1, 2025 through August 1, 2043, fluctuating from \$70 to \$420. On April 17, 2025, the CRPD Board issued \$12,200 Series 2025B Bonds with an interest rate of 5.00 percent. Interest payments are due August 1, 2025 through August 1, 2055, with principal payments due August 1, 2032 through August 1, 2055 escalating from \$10 to \$1,605. At June 30, 2025, \$9,700 of authorized bonds remain unissued. There is no accelerated payment schedule if payment goes into default.

	\$	21,510
Add: Issuance Premium		1,157
	\$	<u>22,667</u>

Teeter notes:

County of Sacramento, 2020 Teeter Loan Agreement Note, dated January 12, 2021, to purchase the delinquent property taxes receivables as of June 30, 2020, of \$25,131. Annual payments of principal and interest are due August 1st of each year and ending in 2025. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2025. Interest payments will be at a variable rate that averaged 4.277 percent in the FY 2024-25 and was 4.037 percent at June 30, 2025.

\$ 829

County of Sacramento, 2021 Teeter Loan Agreement Note, dated November 16, 2021, to purchase the delinquent property taxes receivables as of June 30, 2021, of \$22,967. Annual payments of principal and interest are due August 1st of each year and ending in 2026. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2026. Interest payments will be at a variable rate that averaged 4.277 percent in the FY 2024-25 and was 4.037 percent at June 30, 2025.

1,706



NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Amount Outstanding at June 30, 2025
County of Sacramento, 2022 Teeter Loan Agreement Note, dated December 6, 2022, to purchase the delinquent property taxes receivables as of June 30, 2022, of \$23,416. Annual payments of principal and interest are due August 1 st of each year and ending in 2027. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2027. Interest payments will be at a variable rate that averaged 4.277 percent in the FY 2024-25 and was 4.037 percent at June 30, 2025.	4,197
County of Sacramento, 2023 Teeter Loan Agreement Note, dated December 12, 2023, to purchase the delinquent property taxes receivables as of June 30, 2023, of \$29,876. Annual payments of principal and interest are due August 1 st of each year and ending in 2028. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2028. Interest payments will be at a variable rate that averaged 4.277 percent in the FY 2024-25 and was 4.037 percent at June 30, 2025.	9,410
County of Sacramento, 2024 Teeter Loan Agreement Note, dated December 24, 2024, to purchase the delinquent property taxes receivables as of June 30, 2024, of \$33,914. Annual payments of principal and interest are due August 1 st of each year and ending in 2029. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2029. Interest payments will be at a variable rate that averaged 4.277 percent in the FY 2024-25 and was 4.037 percent at June 30, 2025.	17,892
Total Teeter notes	\$ 34,034

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Amount Outstanding at June 30, 2025
Pension obligation bonds (POB):	
County of Sacramento Pension Obligation Bonds issued March 28, 2008, \$359,165 of Series 2008 Taxable Pension Refunding Bonds. The County issued the Series 2008 Bonds to refund and defease \$350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. The County entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901 percent, which remains in effect for the 2008 Taxable Pension Refunding Bonds. See Note 9, Derivatives – Interest Rate Swaps. On June 2, 2023 the County refunded the 2030 Maturing Series of the 2008 POB by issuing the 2023 Synthetic Fixed Bond Series which refunded with a direct placement principal amount of \$179,315. See page 104 for Pension Obligation Bonds – Direct Placement. The 2026 Maturing Series remains outstanding with an \$87,325 principal balance. Principal payments on the remaining Series 2008 bonds are due July 10, 2025 through July 10, 2026, fluctuating from \$17,650 to \$26,675.	\$ 44,325
County of Sacramento Pension Obligation Bonds issued on October 30, 2013, for \$111,960 of Series 2013 Taxable Pension Refunding Bonds. The County issued the Series 2013 Bonds to refund and defease \$62,402 of the fully accreted outstanding amount of its Taxable Pension Obligation Bonds, Series 2004 C-3 and to pay the costs of issuance of the Series 2013 Bonds. Principal payments on the Series 2013 Bonds are due commencing August 1, 2024, for \$27,310, and August 1, 2025, for \$84,650. The rate on Series 2013 bonds is 7.25 percent.	84,650
Total pension obligation bonds	128,975
Less: Issuance discount	(170)
	<u>\$ 128,805</u>



**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

Pension Obligation Bonds - Direct Placement:

County of Sacramento Pension Obligation Bonds issued on June 2, 2023, for \$180,740 of Series 2023 Taxable Pension Refunding Bonds. The County issued the Series 2023 Bonds to refund and defease \$179,315 of the Series 2008 Taxable Pension Refunding Bonds and to pay for the costs of issuance of the Series 2023 Bonds. Principal payments on the Series 2023 Bonds are due July 10, 2025 through July 10, 2030, escalating from \$705 to \$47,695, with an interest rate of 6.375 percent attributable to \$166,950 current swap principal and an interest rate of 4.122 attributable to \$13,790 new swap principal. See Note 9, Derivatives - Interest Rate Swaps. The deferred outflows on refunding for the Series 2008 Taxable Pension Refunding Bonds amounted to \$2,176 attributable to the existing swap and \$155 to the new swap. These amounts will be amortized through July 10, 2030. The bonds contain a provision that if payment goes into default, the interest rate on the Bonds shall increase to the Default Rate until the event of default has been cured. The Default Rate is four percent plus a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent, (b) the Federal Funds Rate plus two percent and (c) seven percent.

\$ 179,655

Revenue Bonds:

On February 18, 2021, the Tobacco Securitization Authority of Northern California issued \$230,706 of Series 2021 Refunding bonds. The Authority used the proceeds from the issuance of the Series 2021 Refunding Bonds, together with other available funds, to refund on a current basis \$264,391 of the Authority's outstanding Tobacco Settlement Asset-Backed Series 2005 Bonds through defeasance and redemption, and fund a deposit to the Senior Liquidity Reserve Account held under the Indenture and pay costs of issuance in connection with the issuance of the Series 2021 Bonds. The Series 2021 Refunding Bonds are payable solely from pledged Tobacco Settlement Revenues and interest earnings on amounts on deposit. The Authority issued \$124,625 of Series 2021A Senior Current Interest Bonds. The Series 2021A Serial Bonds are for \$87,120 with interest rates ranging from 3.0 percent to 5.0 percent and a final maturity date of June 1, 2040. The Series 2021A Term Bonds are for \$37,505 with an interest rate of 4.0 percent and a final due date of June 1, 2049. The Authority issued \$35,000 for the Series 2021B-1 Class 2 Current Interest Bonds. The first Series 2021B-1 turbo Term Bonds are for \$7,500 with an interest rate of 0.45 percent, with an expected final turbo redemption date of June 1, 2022, with a due date of June 1, 2030. The second Series 2021B-1 Turbo Term Bonds are for \$27,500 with an interest rate of 4.0 percent, with an expected final turbo redemption date of June 1, 2027, with a due date of June 1, 2030. The Authority issued \$71,081 for the Series 2021B-2 Class 2 Senior Capital Appreciation Bonds with an interest rate of 3.75 percent, with an expected final turbo redemption date of June 1, 2043, with a due date of June 1, 2060. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the Authority is unable to make payment.

\$ 182,731

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

The Sacramento County Public Financing Authority (PFA) issued three series of Revenue Bonds issued December 23, 2003 totaling \$54,921, for the purpose of allowing the PFA to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are distributions made by the County’s Redevelopment Property Tax Trust Fund (RPTTF). Total principal and interest remaining on the bonds is \$29,150, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$2,300 and \$997, respectively. The PFA issued \$33,696 of Series A Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,940 in serial bonds, maturing from December 2004 to 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020 to 2030. The PFA issued \$8,345 of Series B Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.



**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

Sacramento County Public Financing Authority (PFA) issued two series of Tax Allocation Revenue Bonds on March 5, 2008, totaling \$48,545, for the purpose of loaning the proceeds to the Sacramento Housing and Redevelopment Agency. The loan proceeds financed redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is tax increment and/or housing set-aside tax increment revenues, depending upon the project. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Total principal and interest remaining on the bonds is \$55,439, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$1,025 and \$1,960, respectively. The PFA issued \$24,765 of Series A Mather/McClellan (Tax Exempt) Redevelopment Area improvements. The bonds were structured with one serial maturity in 2028 and three term bonds. The \$950 2028 serial bonds were priced with a 4.5 percent coupon to yield 4.66 percent. The \$4,930 2032 term bond was priced with a 4.625 percent coupon to yield 4.8 percent. The \$18,885 2038 term bond was split into two: \$5,000 was priced with a 5.0 percent coupon to yield 4.76 percent; the balance of \$13,885 was priced with a 4.625 percent coupon to yield 4.85 percent. The PFA issued \$23,780 of Series B Mather/McClellan (Taxable) Redevelopment Area and Housing Project. The bonds were structured with serial maturities in 2008 through 2014 and three term bonds - all sold as par bonds with coupon equal to yield. Yields on the \$4,500 serials ranged from 3.33 percent in 2008 to 4.52 percent in 2014. The \$2,815 2018 term bonds were priced to yield 5.317 percent; the \$9,795 2028 term bonds were priced to yield 6.227 percent; and the \$6,670 term bonds were priced to yield 6.577 percent. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the PFA is unable to make payment.

Redevelopment agencies were dissolved as of January 31, 2012. See Note 22 – Successor Agency Trust for Assets of Former Redevelopment Agency.

Principal payments on both Series are due December 1st through final maturity in 2038. Interest payments are due on June 1st and December 1st. The tax-exempt Series A bonds maturing on or after December 1, 2019 are subject to redemption in whole, or in part among such maturities as designated by the PFA. The taxable Series 2008B Bonds are subject to optional redemption on any date, with a “make-whole premium” determined at the time of optional redemption on the basis of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points.

53,857

Total revenue bonds	236,588
Add: Accreted interest	15,248

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Amount Outstanding at June 30, 2025
Add: Issuance Premium	29,108
Less: Issuance discount	(248)
	<u>\$ 280,696</u>

Other long-term debt:

Sacramento County Water Agency’s reimbursement agreements with interest at the net County Treasury Pool Rate, is to be paid on the unpaid balance after County’s acceptance of project completion, unless paid within 90 days of acceptance and maturities ranging from 18 months to 7 years to be repaid from drainage permit revenues in the Water Agency’s Special Revenue Fund. \$ 2,156

Financed purchase obligations:

The County entered into various financing arrangements for the acquisition of Information Technology equipment. Payment terms range from 4 to 10 years with annual payments due. The interest rates range from 2.5 percent to 6.6 percent. \$ 16,542

Litigation liability:

On November 19, 2009, the Regents of the University of California (Regents) filed an action against the County of behalf of its University of California, Davis Health System (UCD), for breach of contract and for a Peremptory Writ of Mandate.

The Petition’s causes of action for breach of contract were brought under the following two theories: 1) that UCD had an implied contract with the County - UCD claims that the alleged contract with UCD was manifested by the conduct of the County in its execution of the County’s contract with Benefit and Risk Management Services (BRMS); and 2) that UCD is a “third party beneficiary” of the County’s contract with BRMS. Pursuant to these theories, UCD alleges the County must pay for hospital care rendered to County Medically Indigent Services Program (CMISP) patients that were referred to UCD hospital.

The County entered into a settlement agreement with UCD in November 2017, with the County agreeing to pay a net amount of \$93,620 plus interest over a 15 year period. Payments made in the first 11 fiscal years, which include principal and interest, range from \$7.7 million to \$8.2 million, with the first payment having commenced on July 1, 2018. The remaining principal balance after the 11th payment will be paid in 5 equal annual payments starting on July 1, 2029 at an interest rate equal to the 5-year Treasury bill rate plus 6 percent, with a cap of 9.5 percent. As of June 30, 2025, the outstanding balance is \$54,178. In the case of default, UCD will provide notice of any perceived default and breach within 15 days of such default. Unless default is cured within 45 days of notice, the parties also agree that, time being of the essence, the entire unpaid portion of the settlement amount plus all then accrued and deferred interest (the “default amount”) shall become immediately due and payable to UCD, which day shall be the “acceleration date.” Also, the prejudgment interest will immediately begin to accrue on the default amount from the acceleration date at the rate of 9.5 percent.



NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Long-term debt obligation maturities for governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2025.

Fiscal Year ending June 30	Certificates of Participation		General Obligation Bonds		Teeter Notes		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 12,107	3,920	145	968	9,012	1,435	111,325	5,038
2027	12,706	3,316	160	1,089	8,183	1,054	17,650	784
2028	13,355	2,681	185	1,082	7,330	708	-	-
2029	9,020	2,138	70	1,072	5,931	398	-	-
2030	9,465	1,688	85	1,069	3,578	149	-	-
2031 - 2035	28,912	3,403	765	5,260	-	-	-	-
2036 - 2040	1,186	59	1,905	4,933	-	-	-	-
2041 - 2045	-	-	3,560	4,216	-	-	-	-
2046 - 2050	-	-	5,745	3,065	-	-	-	-
2051 - 2055	-	-	7,285	1,306	-	-	-	-
2056	-	-	1,605	40	-	-	-	-
	<u>\$ 86,751</u>	<u>17,205</u>	<u>21,510</u>	<u>24,100</u>	<u>34,034</u>	<u>3,744</u>	<u>128,975</u>	<u>5,822</u>

Fiscal Year ending June 30	Pension Obligation Bonds - Direct Placement		Revenue Bonds		Other		Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 705	8,767	6,673	8,020	767	65	6,542	43
2027	13,650	8,733	7,005	7,687	417	48	5,000	-
2028	34,730	8,066	7,318	7,334	369	33	5,000	-
2029	39,195	6,372	7,566	6,970	311	20	-	-
2030	43,680	4,459	7,775	6,604	219	10	-	-
2031 - 2035	47,695	-	41,205	24,733	73	2	-	-
2036 - 2040	-	-	43,930	11,911	-	-	-	-
2041 - 2045	-	-	21,310	7,979	-	-	-	-
2046 - 2050	-	-	22,725	3,730	-	-	-	-
2056 - 2060	-	-	71,081	234,869	-	-	-	-
	<u>\$ 179,655</u>	<u>36,397</u>	<u>236,588</u>	<u>319,837</u>	<u>2,156</u>	<u>178</u>	<u>16,542</u>	<u>43</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

Business-type Activities:

Revenue, Passenger Facility Charges (PFC) and Subordinate Revenue Bonds:

On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rate on the 2007A bonds is 5.0 percent. The variable interest rates on the 2007B bonds range from 4.313 percent to 4.333 percent at June 30, 2025. Proceeds from this debt issue were used to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Water Agency's Water System and to advance refund the majority of the 2003 revenue bonds, which have been subsequently paid in full. Principal payments on the Series 2007B bonds are due June 1, 2026 through June 1, 2039 ranging from \$2,150 to \$21,675. The Water Agency entered into a swap agreement effective May 9, 2007 on the Series 2007B bonds fixing the interest rate between 4.193 percent to 4.221 percent. See Note 9, Derivatives - Interest Rate Swaps. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.	\$	222,965
On October 31, 2019, the Sacramento County Water Financing Authority issued \$88,790 of Revenue Bonds for the Sacramento County Water Agency Zones 40 and 41 2019 Refunding Project Series. The Series 2019 Bonds were issued to refund and defease \$103,185 of outstanding debt for Sacramento County Water Agency Zones 40 and 41 2007A (Fixed Rate) Series Water System Project Revenue Bonds. Principal payments on the Series 2019 bonds are due June 1, 2026 through June 1, 2028 and range from \$7,115 to \$10,900, with an interest rate of 5 percent. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.		28,400



NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Amount Outstanding at June 30, 2025
<p>On February 1, 2022, the Sacramento County Water Financing Authority issued \$81,215 of Water Agency Revenue Bonds, Series 2022A for the Sacramento County Water Agency Zones 40 and 41 Interim Financing. The proceeds of the Series 2022A Bonds were used to finance, on an interim basis, a portion of the costs for the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project (ASA Project), which will provide infrastructure improvements in the Arden Service Area. Interest payments on the Series 2022A were due on June 1 and December 1 of each year, commencing on June 1, 2022, with an interest rate of 4 percent and ending on November 1, 2025, with a final principal payment of \$81,215. The Agency and the Authority have entered into a Water Infrastructure Finance and Innovation (WIFIA) Credit Agreement with the United States Environmental Protection Agency on December 8, 2021. The Agency drew on the WIFIA Credit Agreement to reimburse it for eligible ASA Project costs on June 11, 2025. Subsequently, the WIFIA loan proceeds have been used to defease the Series 2022A Bonds on June 24, 2025. The County Water Financing Authority defeased the 2022A Water Agency Revenue Bonds in the amount of \$81,215 using Agency’s existing resources, resulting in a gain on advanced refunding of \$961. As of June 30, 2025, the defeased bond was outstanding for \$81,215.</p>	0
<p>On March 4, 2025, the Sacramento County Water Financing Authority issued \$61,775 of Water Agency Revenue Bonds, Series 2025 for the Sacramento County Water Agency. The Series 2025 Bonds were issued to finance all or a portion of certain capital improvements to the Water System including the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project, the Dwight Road Water Treatment Plant Recoating Project, and the Wildhawk Water Treatment Plant Recoating Project Phase 2. Principal payments on the Series 2025 Bonds are due June 1, 2029, through June 1, 2055, and range from \$1,130 to \$4,020, with an interest rate of 5 percent.</p>	61,775

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

On July 28, 2009, the Department of Airports issued additional bonds in the amount of \$480,050 to continue the financing of the Terminal Modernization Program, Department of Airports Senior Revenue Bonds Series 2009A \$31,115, and Series 2009B \$170,685; Subordinate and PFC/Grant Revenue Bonds Series 2009C \$112,860, and Series 2009D \$165,390. The Department of Airports issued the Series 2009 Senior Bonds as Senior Obligations pursuant to the Master Indenture approved on May 1, 2008, and Third Supplemental Indenture, approved on July 1, 2009. On August 25, 2010, the County issued additional Department of Airports Senior Revenue Bonds in the amount of \$128,300 to complete the financing of the Terminal Modernization Program. The Series 2010 Senior Bonds were issued pursuant to the Master Indenture approved on May 1, 2008, as supplemented and amended by a Fifth Supplemental Indenture of Trust, dated as of August 1, 2010. The Series 2010 Senior Bonds are to be secured by the Trust Estate and payable from Net Revenues. The bonds are issued under the terms of supplemental indentures adopted by the Board and are subject to call and redemption at the option of the Airport prior to their respective maturity dates.

On December 21, 2016, the County issued \$89,000 of Department of Airports Senior Revenue Refunding Bonds, Series 2016A and \$92,790 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2016B. The Series 2016A Senior Bonds were issued to advance refund a portion of the outstanding County of Sacramento Department of Airports Senior Revenue Bonds, Series 2008A and all of the outstanding County of Sacramento Department of Airport Senior Revenue Bonds, Series 2009A. Principal payments are due July 1, 2035 through July 1, 2041. The Series 2016B Subordinate Bonds were issued to advance refund all of the outstanding County of Sacramento Department of Airports Subordinate and PFC/Grant Revenue Bonds, Series 2009C. The term of the 2016 Bond series is twenty-five years with an average coupon rate of 5 percent. The deferred outflows related to refunding amounted to \$18,228 and will be amortized through July 1, 2041.

On May 3, 2018, the County issued \$61,710 of Department of Airports Senior Revenue Refunding Bonds, Series 2018A, \$118,875 of Department of Airports Senior Revenue Refunding Bonds, Series 2018B, \$254,925 of Department of Airports Senior Revenue Refunding Bonds, Series 2018C, \$22,365 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018D, \$99,745 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018E and \$15,480 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018F. Principal payments are due July 1, 2022 through July 1, 2039. The Series 2018 Senior Bonds were issued to refund the outstanding Senior Series 2008A, 2008B and 2009B. The Series 2018 Subordinate Bonds were issued to refund the outstanding Subordinate Series 2008D, 2008E and 2009D. The deferred outflows related to refunding totaled \$10,962 and will be amortized through July 1, 2039.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

On June 25, 2020, the County defeased the 2021 and 2022 maturities of the Series 2010 Department of Airport Senior Bonds and Series 2018 Department of Airports Senior Bonds for a total of \$33,100 to lower the debt service payments for FY 2020-21 and FY 2021-22, and consequently reduce the fees and charges related to the debt service payments. The Department of Airports has used its existing cash resources for the defeasance and subsequently submitted a reimbursement request to the Federal Aviation Administration to recover the defeasance cost which was an eligible expense under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act.

On August 13, 2020, the County issued \$79,705 of Department of Airports Senior Revenue Refunding Bonds, Series 2020 to refund the outstanding Department of Airports Senior Revenue Bonds, Series 2010. The deferred amounts on refunding totaled \$1,474 and will be amortized through July 1, 2040. Principal payments are due July 1, 2023 through July 1, 2040. The Series 2020 Senior Refunding Bonds were issued pursuant to a Master Indenture of Trust, dated as of May 1, 2008, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee as supplemented by a Tenth Supplemental Indenture of Trust, dated as of August 1, 2020, between the County and the Trustee. The Series 2020 Senior Refunding Bonds are secured by the Trust, subject to the application of the moneys included in the Trust Estate on the terms and conditions and for the purposes set forth in the Indenture. The primary component of the Trust Estate is the Net Revenues derived by the County from the operation of the Airport System. The Series 2020 Senior Bonds constitute Senior Obligations pursuant to the Indenture and are secured by the Trust Estate and payable from Net Revenues on a parity basis with Senior Obligations previously issued by the County.

On January 25, 2022, the County defeased the 2023 and 2024 maturities of the Series 2020 Airport System Senior Bonds and Series 2018 Airport System Senior Bonds in the amount of \$35,010 to lower the debt service payments for fiscal years 2023 and 2024, and consequently reduce the fees and charges related to the debt service payments. Airports used its existing cash resources for the defeasance and subsequently submitted a reimbursement request to the Federal Aviation Administration to recover the defeasance cost which was an eligible expense under the provisions of the American Rescue Plan Act (ARPA). Airports has placed an amount of \$18,267 with the escrow agent to provide for the debt service payments of the 2023 and 2024 maturities of the 2020 and 2018 Senior Bonds and their related interest obligations. The transaction resulted in a gain on defeasance of \$2.5 million. The prepaid insurance, bond premiums, and the deferred amounts on prior refunding transactions related to the defeased maturities have been written off.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

	Amount Outstanding at June 30, 2025
Additionally, on October 10, 2024, the County issued \$467,270 of Department of Airports Senior Revenue Bonds, Series 2024. Principal payments are due July 1, 2028 through July 1, 2054. The Series 2024 Bond proceeds provided financing for the first tranche of SMForward capital projects, including construction of a new pedestrian walkway connecting Terminal B and Concourse B, a new Terminal B parking garage, and roadway improvements that will facilitate improved passenger flow while enabling future phases of construction.	
The County has irrevocably pledged the net revenues of the Department of Airports for payment of these revenue bonds. As long as any senior obligation bonds remain outstanding, no event of default shall exist or may be declared with respect to any subordinate obligations or junior subordinate obligations. As long as any subordinate obligations remain outstanding, no event of default shall exist or may be declared with respect to any junior subordinate obligations. Senior obligations shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture. The subordinate obligation is not subject to this acceleration if any senior obligations are then outstanding. Junior subordinate obligations are not subject to this acceleration if any subordinate or senior obligations are then outstanding.	987,980
Total Revenue Bonds	1,301,120
PFC and Subordinate Bonds	195,510
Add: Issuance premiums	147,173
	<u>\$ 1,643,803</u>

Reimbursement agreements:

Sacramento County Water Agency (Water Agency) Enterprise fund enters into various reimbursement agreements with developers for construction of water supply facilities within the Water Agency’s jurisdiction. Impact fees are established within the zone to pay for the construction of new water supply facilities. A reimbursement agreement is established when the amount of impact fees applied to the water supply facilities exceed the amount of the fees due to the contractors for performing the service of construction for the water supply facilities. These agreements are secured by the net revenues of the Water Agency.	\$ 655
--	--------

Financed purchase obligations:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on August 13, 2021 for the acquisition of 14 automatic side loading garbage collection trucks. Semi-annual payments are due from August 13, 2025 to August 23, 2028. The interest rate is 7.45 percent. Of the \$6.254 million debt issued, only \$5.840 million was used to purchase and finance the equipment.	\$ 3,188
---	----------



NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2025

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on March 8, 2023 for the acquisition of 9 automatic side loading garbage collection trucks. Semi-annual payments are due from September 8, 2025 to March 8, 2030. The interest rate is 3.14 percent.

3,534

Total Financed Purchase Obligations \$ 6,722

Loan agreements:

On June 11, 2025, the Sacramento County Water Agency drew down \$81,215 on the WIFIA Credit Agreement, entered with the Sacramento County Water Financing Authority and the United States Environmental Protection Agency on December 8, 2021. The funds were used to reimburse the Agency for the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project cost. The loan interest rate is 1.89 percent and the principal payments are due from June 1, 2029, through June 1, 2060, ranging from \$1,871 to \$3,342.

\$ 81,215

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on January 17, 2023 for the improvement of the North Area Recovery Station and for the construction of a new Commercial Waste Transfer Building. The projects are funded by the IBank Loan for \$35,000 at an interest rate of 4.37 percent. Principal payments are due from August 1, 2025 through August 1, 2052, escalating from \$639 to \$2,027.

33,802

Total Loan Agreements \$ 115,017

Revolving line of credit:

On December 8, 2022, the County entered into a Revolving Credit Agreement with Wells Fargo Bank, N.A. to obtain interim financing, in aggregate not to exceed \$50,000, for the Department of Airports SMForward Projects. The principal of each Revolving Loan shall be repaid in full by the commitment expiration date of December 8, 2025. As of June 30, 2025, the outstanding loan balance was \$26. This has a variable interest rate which is based on the applicable spread ranging from 35 to 113 basis points (based on credit ratings) plus daily simple SOFR, with a maximum interest rate of 12 percent.

\$ 26

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Long-term debt obligation maturities for business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2025.

Fiscal Year ending June 30	Revenue Bonds and PFC Revenue Bonds		Reimbursement Agreements	
	Principal	Interest	Principal	Interest
2026	\$ 40,250	72,364	328	-
2027	42,240	70,359	327	-
2028	43,825	68,242	-	-
2029	58,170	65,849	-	-
2030	60,940	63,072	-	-
2031 - 2035	349,800	267,685	-	-
2036 - 2040	406,650	175,656	-	-
2041 - 2045	213,655	90,488	-	-
2046 - 2050	123,130	57,084	-	-
2051 - 2055	157,970	21,443	-	-
	<u>\$ 1,496,630</u>	<u>952,242</u>	<u>655</u>	<u>-</u>

Fiscal Year ending June 30	Financed Purchase Obligations		Loans Agreements	
	Principal	Interest	Principal	Interest
2026	\$ 1,562	139	639	2,934
2027	1,593	108	667	2,970
2028	1,625	76	696	2,940
2029	1,191	43	2,597	2,909
2030	751	18	2,664	2,841
2031 - 2035	-	-	14,401	13,112
2036 - 2040	-	-	16,420	11,071
2041 - 2045	-	-	18,781	8,681
2046 - 2050	-	-	21,554	5,875
2051 - 2055	-	-	20,495	2,753
2056 - 2060	-	-	16,103	924
	<u>\$ 6,722</u>	<u>384</u>	<u>115,017</u>	<u>57,010</u>

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for the fiscal year ended June 30, 2025.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Non-Exchange Financial Guarantees

River City Regional Stadium Financing Authority; Taxable Lease Revenue Bonds, Series 1999

The Board executed the board resolution in May 1999 authorizing the execution and delivery of a joint exercise of powers agreement of the River City Regional Stadium Financing Authority (the Authority). The County is a member of the Authority. The Authority issued taxable lease revenue bonds in the amount of \$39,990 to finance the site acquisition and construction of a privately owned and operated baseball stadium and related improvements, known as Sutter Health Park. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay up to 66 percent of these annual obligations. The stadium lease obligates the River City Companies to repay the County for any payments made by the County.

As of June 30, 2025, the principal amount of bonds outstanding was \$14,335 and 66 percent of the average annual lease obligation amount is \$2,325. The guarantee will be in effect until the bonds mature in 2029, or until all bonds are fully paid. Ticket receipts have been sufficient since the bonds were issued in 1999 to meet all lease obligations.

Conduit Debt Obligations

Airports Special Facilities Revenue Bonds

Variable Rate Demand Special Facilities Airport Revenue Bonds, Series 1998 (Special Facility Bonds), totaling \$9,900 were issued on November 3, 1998 to finance the demolition of an existing facility and construction and installation of a replacement aircraft maintenance hangar and associated facilities at the Sacramento International Airport for Cessna. Although taking the legal form of a financing lease between the County and Cessna, the substance of these arrangements is that the Special Facility Bonds constitute a special obligation of the Airports payable from and secured by certain revenues under its lease with Cessna and certain proceeds pledged under the Indenture. The bonds do not constitute a debt, liability or general obligation of the County or a pledge of the faith and credit of the Airports. Airports will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2025, the outstanding balance of the debt was \$8,800. The Special Facility Bonds mature on November 1, 2028.

Arbitrage Liability

Water's Revenue Bonds

Arbitrage is earned when the proceeds of a tax-exempt or tax-advantaged bond issues are used to acquire investments that earn a yield in excess of the bond yield (or arbitrage yield), the average yield issuers pay to their bondholders. Liabilities are measured by computing the excess amount earned on investment over the amount that would have been earned if proceeds were invested at the bond yield. Unless the issuer can apply an exception or exemption to the arbitrage rebate and yield restriction requirements, excess earnings must be rebated to the Internal Revenue Service (IRS). At a minimum, the arbitrage rebate and yield restriction liabilities on an issue must be computed at least every five years and on the final redemption or maturity date.

The allowable yield for the Sacramento County Water Financing Authority Revenue Bonds, Series 2007B Bonds is 4.166508%. For the period May 9, 2007 through May 9, 2025, the return on investments for the

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Bonds was 4.194655%, which produced an excess yield of 0.028146% for the period. For the year ended June 30, 2025, the Cumulative Arbitrage Rebate Liability was \$340.

The allowable yield for the Sacramento County Water Financing Authority Revenue Bonds, Series 20022A Bonds is 0.800731%. For the period February 1, 2022 through November 1, 2024, the return on investments for the Bonds was 3.178939%, which produced an excess yield of 2.378208% for the period. For the year ended June 30, 2025, the Cumulative Arbitrage Rebate Liability was \$4,574.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 9 - Derivative Instrument - Interest Rate Swaps

All five of the County's interest rate swap agreements are considered to be effective hedging derivative instruments. The County used the consistent critical terms method to evaluate hedge effectiveness for the \$123,010 and \$99,955 Water Agency Revenue bonds, Series 2007B Swaps, and the regression analysis method for the \$44,325 Taxable Pension Bonds - 2008 C-1 Swap, and the \$166,950 and \$12,705 refunding 2023 POBs.

Hedging derivative instruments are classified as Level 2 fair value measurement within the fair value hierarchy established by GAAP and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. The payments are then discounted using the spot rates of Secured Overnight Financing Rate (SOFR) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2025, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year ended June 30, 2025 financial statements are as follows.

		Changes in Fair Value		Fair Value - as of June 30, 2025	
	Notional Amount	Classification	Amount	Classification	2025
Governmental Activities:					
Cash Flow Hedges:					
Series 2008 C-1 Swap					
Pay-fixed interest rate swap	\$ 44,325	Deferred outflow of resources	\$ 278	Debt	\$ (350)
Series 2023 POB refunding					
Pay-fixed interest rate swap	166,950	Deferred outflow of resources	(1,427)	Debt	(12,710)
Series 2023 POB refunding					
Pay-fixed interest rate swap	12,705	Deferred outflow of resources	(315)	Debt	(43)
		Total Governmental Activities	<u>\$ (1,464)</u>		<u>\$ (13,103)</u>
Business-Type Activities:					
Cash Flow Hedges:					
Series 2007 B Swap					
Pay-fixed interest rate swap	\$ 123,010	Deferred outflow of resources	\$ (1,510)	Debt	\$ (7,457)
Series 2007 B Swap					
Pay-fixed interest rate swap	99,955	Deferred outflow of resources	(1,123)	Debt	(9,232)
		Total Business-Type activities	<u>\$ (2,633)</u>		<u>\$ (16,689)</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Objective and Terms of Hedging Derivative Instruments:

The following table displays the objective and terms of the County's hedging derivative instruments outstanding at June 30, 2025, along with the credit rating of the associated counterparty:

Governmental Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2008 C-1 Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 44,325	6/10/2023	7/10/2026	County pays 5.901% fixed; receives 1M LIBOR - Fallback adjusted monthly; 4.442%	Aa1 Moody's A+ S&P AA- Fitch
Series 2023 POB refunding Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	166,950	6/10/2023	7/10/2030	County pays 6.375% fixed; receives SOFR + 0.56448%; 4.880 %	Aa1 Moody's A+ S&P AA- Fitch
Series 2023 POB refunding Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	12,705	6/2/2023	7/10/2030	County pays 4.122% fixed; receives SOFR + 0.56448%; 4.880%	Aa1 Moody's A+ S&P AA- Fitch

Business-Type Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$ 123,010	5/9/2007	6/1/2034	Water Agency pays fixed 4.193%; receives lesser of 67% of the 3-Month Fallback Rate (SOFR) + 55 bps or 12% = 3.64391%	Aa2 Moody's A+ S&P AA Fitch
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B Bonds	99,955	5/9/2007	6/1/2039	Water Agency pays fixed 4.221%; receives lesser of 67 of the 3-Month Fallback Rate% (SOFR) + 57 bps or 12% = 3.66391%	Aa2 Moody's A+ S&P AA Fitch

Taxable Pension Funding Bonds Refunding 2008 C-1 Swap and 2023 Refunding POBs:

Credit Risk:

2008 Pension Obligation Refunding Bonds: Other than the risk of the County being required to make a termination payment described below, the County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swaps have an aggregate negative fair value. However, should interest rates change and the fair value of the swaps become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value.

2023 Pension Obligation Refunding Bonds: The Bonds are subject to a rate increase based on ratings assigned to the County's Certificates of Participation (COPs) bonds. The Bonds are currently calculated at the interest rate of Daily SOFR Index Rate + 45 basis points (0.45%) (Tier 1), and are subject to an Applicable Spread based on the following ratings of the COPs:

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Tier	Credit Ratings(Moody's/S&P/Fitch)	Applicable Spread
I	A2/A/A and above	0.45
II	A3/A-/A-	0.55
III	Baa1/BBB+/BBB+	0.70
IV	Baa2/BBB/BBB	0.90

In the event the County maintains two or more ratings, and in the case of a split rating or differing ratings among the Rating Agencies, the rating corresponding to the highest numbered tier identified above shall apply for determining the Applicable Spread. At least one outstanding issue of COPs, rated by at least two of the following three nationally recognized ratings agencies, must maintain ratings at or above the following levels: Baa2 (or equivalent) by Moody's, BBB (or equivalent) by S&P, or BBB (or equivalent) by Fitch. Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).

Interest Rate Risk:

The County is exposed to interest rate risk on its interest rate swaps. On its pay-fixed receive-variable interest rate swap, as the SOFR index decreases, the County's net payment on the swap increases.

Basis Risk:

The basis risk is the difference between the rate paid on the variable-rate bonds and the floating amount received from the interest rate swap of the 1-Month LIBOR. Since the 2008 bond refunding the variable-rate payments were fixed to the 1-Month LIBOR as well, and both reset on the same day of the month, the basis risk became fixed. The basis risk for the 2026 Term bonds is 1.30 percent, however, both of the indices for the Bonds and the swap payments are now tied to the 1-month Fallback Rate (SOFR) with a 5-day banking day lookback. There is no basis risk associated with the 2023 Pension Obligation Refunding Bonds as both the bond and the associated swaps are tied to SOFR plus 0.56448 percent.

Contingencies:

Should the County be downgraded below Baa2 by Moody's or BBB by S&P and Fitch and an insurer event has occurred, then the counterparty has the option to terminate the swap.

Termination Risk:

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swaps are terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swaps are terminated, other than by the counterparty exercising its option under the agreement, and at the time of termination, the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value, which as of June 30, 2025 was \$13,103.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Water Agency Revenue Bonds, Series 2007B Swaps:

Credit Risk:

Other than the risk of the Sacramento County Water Agency (Water Agency) being required to make a termination payment described below, the Water Agency is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, if the swap had a positive fair value greater than \$10 million, the Water Agency would be exposed to credit risk from the counterparty. The swap counterparty was rated Aa2 by Moody's Investors Service, AA- by S&P Global Ratings and AA by Fitch.

Interest Rate Risk:

The Water Agency is exposed to interest rate risk on its interest rate swaps. On its pay-fixed receive-variable interest rate swap, as the SOFR index decreases, the Water Agency's net payment on the swap increases.

Basis Risk:

The Water Agency's variable rate bonds are based on 3-month CME Term SOFR while the Water Agency's variable rate swap payments are based on 3-month Fallback Rate (SOFR); a computation of the compounded SOFR. This mis-match exposes the Water Agency to potential basis risk which was introduced after June 30, 2023 with the broader LIBOR transition. To the extent 3-month CME term SOFR rests higher than 3-month Fallback Rate (SOFR), the Water Agency may experience higher interest cost than originally expected.

Contingencies:

The Water Agency's swap assignment agreement includes provisions relating to the posting of collateral for the swap counterparty and the Water Agency. The swap Credit Support Annex (CSA), which is part of the swap agreement, is a one-way CSA where the counterparty has the obligation to post collateral depending on the valuation thresholds. Conversely, the Water Agency does not have to post collateral unless 1) a rating event occurs if the Water Agency gets downgraded below A2 by Moody's or A by S&P; and 2) an insurer event occurs which could be a combination of several events, but most likely a) the insurer gets downgraded; and b) the insurer has failed to payout an obligation of greater than \$30 million; and 3) the Water Agency chooses the option to post collateral. The two other options available to the Water Agency are to provide a letter of credit or to assign the agreement to another entity.

Should the Water Agency be downgraded below Baa2 by Moody's or BBB by S&P and an insurer event has occurred, the counterparty has the option to terminate the swap.

Termination Risk:

The Water Agency or the counterparty may terminate the swaps if the other party fails to perform under the terms of the contract. If the swaps are terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swaps are terminated, other than by the counterparty exercising its option under the agreement, and at the time of termination, the swaps have a negative fair value, the Water Agency would be liable to the counterparty for a payment equal to the swaps fair value, subject to netting arrangements.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Derivative Instrument Payments and Hedged Debt:

Using the rates as of June 30, 2025, debt service requirements for governmental activities and business-type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented below:

Governmental Activities:

Fiscal Year ending June 30	Pension Refunding Bonds			
	Series 2008 & 2023 Variable-Rate			
	Principal	Interest	Interest Rate Swaps, Net	Net Cash Flows
2026	\$ 27,380	10,736	3,047	41,163
2027	31,300	9,619	2,695	43,614
2028	34,730	8,187	2,274	45,191
2029	39,195	6,513	1,803	47,511
2030	43,680	4,618	1,274	49,572
2031	47,695	372	103	48,170
	<u>\$ 223,980</u>	<u>40,045</u>	<u>11,196</u>	<u>275,221</u>

Business-Type Activities:

Fiscal Year ending June 30	Sacramento County Water Agency Enterprise Fund			
	Series 2007 B Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, Net	Net Cash Flows
2026	\$ 2,150	8,035	1,222	11,407
2027	2,245	7,953	1,209	11,407
2028	6,675	7,724	1,175	15,574
2029	16,795	7,146	1,087	25,028
2030	17,500	6,514	991	25,005
2031-2035	96,020	22,214	3,387	121,621
2036-2039	81,580	4,863	744	87,187
	<u>\$ 222,965</u>	<u>64,449</u>	<u>9,815</u>	<u>297,229</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 10 - Special Assessment Debt and Related Activities

At June 30, 2025, special assessment improvement bonds outstanding for all assessment districts totaled \$181,766. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects is accounted for in the capital projects funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the other custodial funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999, the District issued \$13,025. On May 12, 2005, the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75 percent to 4.50 percent, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30 percent. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in the original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. At June 30, 2025, \$6,975 of authorized bonds remains unissued. The outstanding balance at June 30, 2025 was \$555.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue \$90,000 of Special Tax Bonds. On September 28, 2004, the District issued \$10,250 Series 2004 Special Tax Bonds with interest rates ranging from 3.00 percent to 6.25 percent. On December 8, 2011, the District issued \$10,395 Series 2011 Special Tax Bonds with interest rates ranging from 2.25 percent to 6.00 percent. On December 14, 2017, the District issued \$29,470 of Series 2017 Special Tax Bonds with interest rates ranging from 2.00 to 5.00 percent, a portion of the proceeds were used to defease the outstanding 2004 bonds and the outstanding 2011 bonds. The remaining proceeds were used to pay the costs of acquiring and constructing certain public facilities. The 2017 bonds constitute the entire bonded indebtedness as of June 30, 2025. At June 30, 2025, \$57,235 of authorized bonds remain unissued. The outstanding balance at June 30, 2025 for the Series 2017 bonds was \$25,260.

The Metro Air Park Community Facilities District No. 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004, the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 percent. On December 14, 2007, the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00 percent. On September 15, 2022, the District issued \$121,710 of Series 2022 Special Tax Bonds with an interest rate of 5.00 percent. Bond proceeds were used to refund the outstanding 2004A Bonds and 2007B Bonds, pay (or reimburse the County for) the costs of acquiring and constructing certain public facilities, fund a deposit to the Bond Reserve fund, and pay costs of issuance of the 2022 Bonds. The 2022 Special Tax Bonds constitute the entire bonded indebtedness. The outstanding balance as of June 30, 2025 for the 2022 Special Tax Bonds was \$112,680.

The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue \$30,000 of Special Tax Bonds. On September 6, 2007, the District issued \$14,415 of Special Tax Bonds with interest rates ranging from 4.40 percent to 6.00 percent. On June 8, 2016, the District issued \$23,155 of Special Tax Bonds 2016 Series, of which the proceeds were used to defease the outstanding 2007 bonds and to fund certain public facility construction projects. The interest rates relating to these bonds range from 2.00 percent to 5.00 percent. The 2016 Special Tax Bonds constitute the entire bonded indebtedness. As of June 30, 2025, \$6,845 of authorized bonds remains unissued. The outstanding balance as of June 30, 2025, for the 2016 Special Tax Bonds was \$19,805.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

The County of Sacramento Community Facilities District No 2014-2 (North Vineyard Station No. 2) (District) has been authorized to issue \$50,000 of Special Tax Bonds. On June 8, 2016, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. On June 30, 2021, the District issued \$3,895 of Special Tax Bonds with a interest rate of 4.00 percent to provide funds to pay cost of acquisition and construction, deposit to a Bond Reserve fund, and pay certain cost of issuing. The Series 2016 and the Series 2021 Bonds, constitute the entire bonded indebtedness of the District. As of June 30, 2025, \$31,880 of authorized bonds remains unissued. The outstanding balance as of June 30, 2025 for the 2016 Special Tax Bonds was \$13,200 and for the 2021 Special Tax Bonds was \$3,710.

The Park Meadows Community Facilities District No. 1 (District) has been authorized to issue \$1,200 of Special Tax Bonds. On June 28, 2000, the District issued Current Interest Bonds in the amount of \$230 at the interest rate of 7.75 percent, and Convertible Capital Appreciation Bonds in the original principal amount of \$892 at the interest rate of 8.25 percent. These bonds constitute the entire bonded indebtedness. As of June 30, 2025, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2025 was \$286.

The County of Sacramento Community Facilities District No. 2016-2 (Florin Vineyard District No. 1) (District) has been authorized to issue \$15,000 of Special Tax Bonds. On August 16, 2018, the District issued \$6,610 of Series 2018 Special Tax Bonds with interest rates ranging from 3.00 percent to 5.00 percent. The Series 2018 Special Tax Bonds constitute the entire bonded indebtedness of the District. As of June 30, 2025, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2025 was \$6,270.

Note 11 - Pledged Revenues

The County has pledged a portion of delinquent property tax revenues to repay \$34,034 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on January 12, 2021, November 16, 2021, December 6, 2022, December 21, 2023 and December 24, 2024. The notes are due and payable to the County of Sacramento Pooled Investment Fund and are payable solely from the collection of delinquent property taxes. Total principal of \$34,034 and interest of \$3,743 remain on the notes and are payable through August 1, 2029. For the current year, net revenues pledged were equal to the total principal and interest paid of \$27,914 and \$1,419, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Department of Airports through fiscal year 2054. The total principal and interest remaining to be paid on senior bonds is \$1,698,081. Principal and interest paid in the current fiscal year was \$31,073 and the total net revenues were \$121,337. Additionally, the outstanding debt from the Revolving Credit Agreement is \$26 and the principal and interest paid in the current fiscal year was \$20,432. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding the depreciation of capital assets.

Total principal and interest remaining to be paid on the subordinate bonds is \$290,428. Principal and interest paid for the current year was \$16,541 and the Passenger Facility Charges (PFC) cash generated in FY 2024-25 was \$26,999. Although PFC revenues are not pledged pursuant to the Master Indenture,

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

the County intends to continue using PFCs to pay subordinate lien debt service, which will decrease significantly as a result of the refunding savings.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Water Agency through fiscal year 2055. The total principal and interest remaining to be paid on the bonds is \$460,363. Principal and interest paid in the current fiscal year was \$24,231 and the total net revenues were \$96,685. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding depreciation of capital assets.

Note 12 - Commitments

The County has entered into several agreements related to the construction of capital projects and other activities.

Governmental Funds - The County's governmental funds had approximately \$185,518 in outstanding construction contract commitments at June 30, 2025.

Airports Enterprise Fund - The Airports had approximately \$277,741 in outstanding construction contract commitments at June 30, 2025.

Solid Waste Enterprise Fund - Solid Waste had approximately \$51,236 in outstanding construction contract commitments at June 30, 2025.

Water Agency Enterprise Fund - The Water Agency had approximately \$47,514 outstanding construction contract commitments at June 30, 2025.

Nonmajor Enterprise Funds - The nonmajor enterprise funds had \$3,268 in outstanding construction contract commitments at June 30, 2025.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 13 - Closure and Postclosure Care Cost

State and federal laws and regulations that place specific requirements on the Solid Waste Fund (Fund) regarding closure and postclosure maintenance and monitoring for the Fund landfills. These functions are required for 30 years after closure of the landfill sites. Although closure and postclosure care costs will be paid only near or after the date that a site is closed, the Funds recognizes these costs (as described below) as operating expenses each year.

Solid Waste operates one active landfill (Kiefer) and maintains postclosure care for two closed landfills (Elk Grove and Grand Island).

Management of the fund has deemed the capacity of the Kiefer Landfill will be the basis of recognizing its closure and postclosure care costs. Kiefer Landfill closure and postclosure care liabilities at June 30, 2025, were \$19,663. The Fund will recognize costs of \$36,966 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2025 the capacity of the Kiefer Landfill used to date was 35 percent and the estimated remaining landfill life is 49 years. As required by applicable laws, management has established a fund for the postclosure Kiefer Landfill, in which \$12,031 is considered restricted at June 30, 2025. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

A portion of the property on which the Elk Grove Landfill is located (22.1 acres) was deeded to the County in 1936. In 1969 an additional 14.9 acres was added by eminent domain condemnation proceedings. The property was used as a municipal solid waste facility until 1978 and in 1979 it was officially closed. A final cover was placed on the landfill in 1993.

The Grand Island Landfill is a closed 10.4 acre disposal site that was leased to and operated by the County from 1971 to 1979. It is owned by the U.S. Army Corps of Engineers. A final cover was placed on the landfill in 1998.

Sections of Title 27 of the California Code of Regulations, Chapter 6, Subchapter 2, Article 2, require the operator of a disposal facility to demonstrate financial responsibility to the California Department of Resources Recycling and Recovery (CalRecycle) for maintenance. The Elk Grove and Grand Island Landfills are exempt from requiring a fund to demonstrate financial responsibility because these sites were not operated after January 1, 1988.

Title 27 also specifies that at sites where CalRecycle does not require a fund, the Regional Water Quality Control Board (RWQCB) shall require the establishment of an irrevocable fund (or to provide other means) pursuant to CalRecycle promulgated sections, to ensure maintenance. The RWQCB required the County to provide evidence of financial responsibility for initiating and completing corrective action for all known and reasonably foreseeable releases for the Elk Grove and Grand Island Landfills in 1999 and 2004, respectively.

State law provides that the County can choose any alternative financial assurance mechanism acceptable to CalRecycle for the Elk Grove and Grand Island Landfills. The County has chosen the pledge of revenue approach because it best fits the local conditions present in Sacramento County. The Board of Supervisors

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

has approved pledges of Solid Waste revenues to provide financial assurance for the postclosure maintenance costs of the Elk Grove and Grand Island Landfills.

The Elk Grove Landfill postclosure care liabilities were fully paid as of June 30, 2025, with all future maintenance costs expensed in the period incurred.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2025, of \$102. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2025, the reported liabilities represent postclosure costs for the remaining 4 years. The portion of the postclosure costs expected to be paid during the next year is \$34.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2025. Actual costs may be different due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations.

The Fund is responsible for the costs associated with permanently covering all waste buried at the Kiefer Landfill. The funding for such closure is earned during the operating life of the site. Landfill partial final cover costs are those costs incurred during the life of the landfill which are expected to be spent prior to the day the landfill stops accepting waste, and do not include the costs associated with the final phase of closure activity occurring on or near the date the landfill stops accepting waste.

Based on the percentage used of the total capacity available with the open and active area of the Kiefer Landfill, the partial final cover liability as of June 30, 2025, is estimated to be \$21,478.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2025 were as follows:

	July 1, 2024 Beginning	Expense/change in estimate	Payments	June 30, 2025 Ending	Due within One Year
Kiefer	\$ 19,183	480	-	19,663	-
Grand Island	134	3	(35)	102	34
Kiefer Final Cover	20,526	1,018	(66)	21,478	-
	<u>\$ 39,843</u>	<u>1,501</u>	<u>(101)</u>	<u>41,243</u>	<u>34</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 14 - Retirement Plan

General Information about the Pension Plan

Plan Description - All County full-time and part-time employees participate in the Sacramento County Employees' Retirement System (SCERS or the System), a multiple-employer and cost-sharing, public employee retirement system. SCERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). SCERS main function is to provide service retirement, disability, death and survivor benefits to the Safety and Miscellaneous members employed by the County. SCERS also provides retirement benefits to the employee members of the Superior Court of California (County of Sacramento), Sacramento Employment and Training Agency and nine Special Districts.

The management of SCERS is vested with the Sacramento County Board of Retirement (Retirement Board). The Retirement Board consists of nine members and two alternates. The County Director of Finance is appointed by the County Executive, subject to confirmation by the Board of Supervisors. Four members are appointed by the County Board of Supervisors. Two members are elected by the Miscellaneous membership; one member and one alternate are elected by the Safety membership, one member and one alternate are elected by the retired members of the System. All members of the Retirement Board serve terms of three years except for the County Director of Finance whose term runs concurrent with the term as Director of Finance.

SCERS issues a publicly available financial report that can be obtained at <http://www.SCERS.org>.

Benefits Provided - SCERS provides service retirement, disability, death and survivor benefits to eligible employees. All permanent full-time or part-time employees of the County of Sacramento or contracting districts become members of SCERS upon employment. There are separate cost pools for Safety and Miscellaneous member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other classifications. There are four tiers applicable to Safety members. Those hired prior to January 1, 2012 are included in either Tier 1 or Tier 2 depending on date of hire and bargaining unit. Those hired after January 1, 2012 but prior to January 1, 2013 are included in Tier 3. Any new Safety member who becomes a member on or after January 1, 2013 is designated as PEPPRA Safety (Tier 4) and is subject to the provisions of California's Public Employees' Pension Reform Act of 2013 (PEPPRA), California Government Code 7522 et seq. All other employees are classified as Miscellaneous members. There are five tiers applicable to Miscellaneous members. Those hired prior to September 27, 1981, are included in Tier 1. Those hired after September 27, 1981 but prior to January 1, 2012, are included in Tier 2 or Tier 3 depending on date of hire and bargaining unit. County members hired after January 1, 2012 but prior to January 1, 2013 are included in Tier 4. New members hired on or after January 1, 2013, are designated as PEPPRA Miscellaneous (Tier 5) and are subject to the provisions of California Government Code 7522 et seq.

Safety members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit.

Miscellaneous members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

service is eligible to retire regardless of age. Miscellaneous members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

Safety member benefits for Tier 1 and Tier 2 are calculated pursuant to the provisions of California Government Code Section 31664.1. Safety member benefits for Tier 3 are calculated pursuant to the provisions of California Government Code Section 31664.2. The monthly allowance is equal to 2 percent of the first \$350 dollars of final compensation, plus 3 percent of the excess final compensation times years of accrued retirement service credit times age factor from either Section 31664.1 (Tier 1 and 2) or 31664.2 (Tier 3). Safety member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Miscellaneous member benefits for Tier 1, Tier 2 and Tier 3 are calculated pursuant to the provisions of California Government Code Section 31676.14. Miscellaneous member benefits for Tier 4 are calculated pursuant to the provisions of California Government Code Section 31676.1. The monthly allowance is equal to 1/90th of the first \$350 dollars of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either Section 31676.14 (Tier 1, Tier 2 and Tier 3) or Section 31676.1 (Tier 4). Miscellaneous member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100 percent of final compensation. For members with membership dates on or after January 1, 2013, the maximum monthly retirement allowance is 100 percent of final PEPRA compensation, not to exceed the PEPRA Compensation limit.

Final average compensation consists of the highest 12 consecutive months for a Tier 1 Safety or Tier 1 Miscellaneous member and the highest 36 consecutive months for a Tier 2, Tier 3, Tier 4 or Tier 5 member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60 percent continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

SCERS provides an annual cost-of-living benefit to Safety Tier 1, Tier 2, Tier 3 and Tier 4 member retirees and Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 member retirees. The cost-of-living adjustment, based

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

upon the Consumer Price Index for the San Francisco-Oakland-Hayward area, is capped at 4 percent for Tier 1 members and 2 percent for all other members eligible for a cost-of-living adjustment.

The County's contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Retirement Board. Employer contribution rates are adopted annually based upon recommendations received from SCERS' actuary after the completion of the annual actuarial valuation.

All members are required to make contributions to SCERS regardless of the retirement plan or tier in which they are included.

Contributions - Benefits payable by the System are financed through member contributions, employer contributions, and earnings from investments. Member contributions are required by law. Contribution rates, which are actuarially determined, are based on age at entry into the System (a single rate is used for members entering the System after January 1, 1975). County, Superior Court and Member Districts' contributions are actuarially determined to provide for the balance of contributions needed. This rate includes an additional amount required for the annual cost-of-living increases for retired members of the Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 and Safety Tiers. All contribution rates are reviewed and revised annually. The authority for both benefit provisions and contribution obligations is derived from the County Employees' Retirement Law of 1937 and PEPRA.

Employee and employer contribution rates for the fiscal year ended June 30, 2025, from the June 30, 2024 actuarial valuation, are as follows:

County - Miscellaneous Cost Pool - Contribution Rates						Recreation and Park Districts - Miscellaneous Cost Pool - Contribution Rates		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 1	Tier 3	Tier 5
Employee	12.68%	8.04%	10.81%	10.35%	9.60%	0.00%	5.97%	9.60%
Employer	24.86%	20.28%	23.27%	22.83%	21.96%	0.00%	35.93%	29.86%

County - Safety Cost Pool - Contribution Rates				
	Tier 1	Tier 2	Tier 3	Tier 4
Employee	21.16%	20.91%	20.53%	14.68%
Employer	62.52%	57.70%	57.24%	51.29%

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

For the fiscal year ended June 30, 2025, the employer contributions to SCERS were equal to the actuarially determined required employer contributions as follows:

Employer Contributions	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 179,524	14,618	194,142	367
County - Safety Tier	146,471	2,050	148,521	-
Carmichael Recreation and Park District - Miscellaneous	529	-	529	-
Mission Oaks Recreation and Park District - Miscellaneous	480	-	480	-
Sunrise Recreation and Park District - Miscellaneous	1,145	-	1,145	-
Total employer contributions	<u>\$ 328,149</u>	<u>16,668</u>	<u>344,817</u>	<u>367</u>

**Pension Liabilities, Pension Expenses and Deferred Outflows/
Inflows of Resources Related to Pensions**

As of June 30, 2025, the County and its component unit reported net pension liabilities for its proportionate share of the net pension liability of the Retirement Plan as follows:

	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 676,387	55,000	731,387	1,419
County - Safety Tier	764,328	10,544	774,872	-
Carmichael Recreation and Park District - Miscellaneous	1,936	-	1,936	-
Mission Oaks Recreation and Park District - Miscellaneous	1,749	-	1,749	-
Sunrise Recreation and Park District - Miscellaneous	4,357	-	4,357	-
Total Net Pension Liability	<u>\$ 1,448,757</u>	<u>65,544</u>	<u>1,514,301</u>	<u>1,419</u>

The County's net pension liability for the Retirement Plan is measured as the proportionate share of the net pension liability. The net pension liability (NPL) for the plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The total pension liability for each membership class was calculated based on the participants and benefits provided for the respective membership class; and the Retirement Plan's fiduciary net position was determined in proportion to the valuation of the value of assets for each membership class. The County is the sole active employer in the Safety membership class as of the measurement date June 30, 2024 that made contributions in FY 2024-25; therefore 100 percent of pension amounts for the Safety membership class are allocated to the County. For the Miscellaneous membership class, actual contributions for Miscellaneous employers for the fiscal year ended June 30, 2024, are used as the basis for determining each Miscellaneous employer's proportion of pension amounts. The County's proportionate share of the net pension liability measured as of June 30, 2023 and 2024, was as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

	County	Carmichael	Mission Oaks	Sunrise	Component Unit-First 5 Commission
Proportion - June 30, 2023	88.663%	0.120%	0.117%	0.297%	0.090%
Proportion - June 30, 2024	89.002%	0.114%	0.103%	0.257%	0.084%
Change - Increase (Decrease)	0.339%	-0.006%	-0.014%	-0.040%	-0.006%

For the fiscal year ended June 30, 2025, the County and the First 5 Commission recognized pension expense of \$223,874 and \$252, respectively. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources								
Governmental Activities								
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-type Activities	Total Primary Government	Component Unit First 5 Commission
Differences between actual and expected experience	\$ 231,879	363	328	818	233,388	11,774	245,162	266
Changes in assumptions	2,648	8	7	17	2,680	215	2,895	6
Changes in proportions	15,957	-	94	564	16,615	1,974	18,589	22
Pension contributions made subsequent to measurement date	325,995	529	480	1,145	328,149	16,668	344,817	367
Total deferred outflows related to pensions	<u>\$ 576,479</u>	<u>900</u>	<u>909</u>	<u>2,544</u>	<u>580,832</u>	<u>30,631</u>	<u>611,463</u>	<u>661</u>
Deferred Inflows of Resources								
Governmental Activities								
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-type Activities	Total Primary Government	Component Unit First 5 Commission
Net difference between projected and actual earnings on plan investments	\$ 10,260	17	15	38	10,330	544	10,874	12
Changes in assumptions	61,319	76	69	171	61,635	2,643	64,278	56
Changes in proportions	11,371	117	248	653	12,389	1,383	13,772	88
Total deferred inflows related to pensions	<u>\$ 82,950</u>	<u>210</u>	<u>332</u>	<u>862</u>	<u>84,354</u>	<u>4,570</u>	<u>88,924</u>	<u>156</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

The \$344,817 and \$367 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2026	\$ 45,955	42	25	139	46,161	36
2027	45,955	42	25	139	46,161	36
2028	45,955	42	25	139	46,161	36
2029	39,062	35	22	120	39,239	30
	<u>\$ 176,927</u>	<u>161</u>	<u>97</u>	<u>537</u>	<u>177,722</u>	<u>138</u>

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	County and Special District Miscellaneous	Safety
Valuation Date	June 30, 2024	June 30, 2024
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.50%	2.50%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.25% to 9.75%	4.25% to 9.75%
Assumed post-retirement benefit increase	0% to 2.75%	2% to 2.75%
Post-Retirement Mortality		
a) Service	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates increased by 10% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021
b) Disabled	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), with rates unadjusted for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), with rates increased by 5% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021
c) Member Contribution rate	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and 5% for females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 40% male and 60% female	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 75% male and 25% female
d) Pre-Retirement Mortality	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021

*Includes inflation at 2.50 percent plus real across-the-board salary increase of 0.25 percent plus merit and longevity increases.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Discount Rate - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the current contribution rate and that employer contributions will be made at the end of each pay period based on the actuarially determined contribution rates. For this purpose, only the employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2024 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40.0%	7.1%
Private Equity	11.0%	10.1%
Public Credit - High Yield	1.0%	4.6%
Public Credit - Leveraged Loan	1.0%	4.1%
Private Credit	5.0%	6.7%
Fixed Income - Core	12.0%	2.0%
Fixed Income - U.S. Treasury	4.0%	1.3%
Core Real Estate	6.0%	3.9%
Value Added Real Estate	1.5%	6.7%
Opportunistic Real Estate	1.5%	8.6%
Absolute Return	7.0%	3.0%
Real Assets	7.0%	7.3%
Liquid Real Return	2.0%	4.4%
Cash	1.0%	0.6%
Total Portfolio	100.0%	

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – the following presents the County, Carmichael, Mission Oaks, Sunrise, and First 5 Commission's proportionate share of the net pension liability, calculated using the discount rate for each, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net Pension Liability	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
1% Decrease (5.75%)	\$ 3,294,690	4,236	3,825	9,530	3,312,281	3,102
Current Discount Rate (6.75%)	1,506,259	1,936	1,749	4,357	1,514,301	1,419
1% increase (7.75%)	37,670	48	44	109	37,871	35

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued SCERS financial reports available on their website

<http://www.SCERS.org>.

For the measurement date of June 30, 2025, the County is expecting a decrease in its NPL due to favorable investment returns.

Defined Contribution Plans

The County also provides a defined contribution retirement benefit through the County's 401(a) Plan (the 401(a) Plan). The County is the Plan Administrator and the 401(a) Plan assets are held with an external trustee - Fidelity. The 401(a) Plan is offered to Eligible Employees (management union 032, attorneys union 033, and unrepresented employees only) that contribute at least 1% of their gross pay into the 457(b) Plan to receive the 3 or 5 percent County match in the 401(a) Plan depending on the union. Investment decisions are made by the 401(a) Plan participants based on a variety of investment options under the plan. For the fiscal year ended June 30, 2025, the County contributed \$8,113 to the 401(a) Plan with an outstanding liability of \$314 at June 30, 2025.

The County also provides a defined contribution retirement benefit through the County's 457(b) Plan (the 457(b) Plan) for temporary employees only. The County is the Plan Administrator and the 457(b) Plan assets are held with an external trustee - Fidelity. The 457(b) Plan requires all temporary employees to contribute 7.5% of their gross pay into the 457(b) Plan, while the County provides an equal match of 7.5 percent, making the total contribution to the 457(b) Plan 15 percent. Investment decisions are made by the 457(b) Plan participants based on a variety of investment options under the Plan. For the fiscal year ended June 30, 2025, the County contributed \$885 to the 457(b) Plan with an outstanding liability of \$35 at June 30, 2025.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 15 - Postemployment Health Care Benefits

Plan Description: The County administers a single-employer Retiree Healthcare Plan (HC Plan), which does not issue a publicly available report. In August 2023 and 2024, respectively, the Board approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2024 and 2025, respectively. The County provides access to group medical insurance and dental insurance, medical and dental offset payments to a specific group of eligible retirees as a result of a settlement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided: All annuitants are eligible to enroll in a retiree medical and/or dental insurance plan in a given calendar year if 1) they began receiving a continuing retirement allowance from SCERS during that calendar year, or 2) they were enrolled in the annual plan previously approved by the County (continuous coverage) or 3) they previously waived coverage but elected to enroll during the County authorized enrollment period with a coverage date effective January of the given calendar year.

The County pays a medical and/or dental subsidy/offset to eligible annuitants who retired on or after May 31, 2007 from bargaining unit 003-Law Enforcement, Non-Supervisory, as a result of a settlement. The amount the medical and/or dental subsidy/offset payments made available to this group of eligible annuitants is calculated based upon the annuitant's SCERS service credit. Neither SCERS nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance beyond the current term of the contract between the County and Bargaining Unit 003-Law Enforcement, Non-Supervisory which expires June 30, 2027. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership and will remain in place until eliminated through the collective bargaining process. The amount of the subsidy/offset payment, if any, payable on account of enrollment in a County sponsored retiree medical and/or dental insurance plan will also remain in place until modified or eliminated through the bargaining process. Annuitants from bargaining unit 003 - Law Enforcement, Non-Supervisory are eligible for a medical premium subsidy according to the schedule below:

Service at Retirement	Amount of Subsidy/Offset for Bargaining Unit 003 - Law Enforcement, Non-Supervisory (amounts in dollars)
Less than 10 years	\$122
10-14 years	152
15-19 years	182
20-24 years	212
25 or more years	244
 *Dental if eligible for medical subsidy	 \$25

*The actual premium rate for the retiree dental plan is approved by the Board of Supervisors in conjunction with the approval of all the retiree health plans on an annual basis.

The total benefits provided in FY 2024-25 totaled \$6,846 for the County and \$6 for the First 5 Commission.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

At June 30, 2024, the most recent measurement date, the following current and former employees (actual counts) were covered by the benefit terms under the HC Plan:

Active employees	12,247
Inactive employees receiving benefits	6,187
Inactive employees entitled to but not yet receiving	8,680
Total	<u>27,114</u>

OPEB Liability:

The County's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023. Update procedures were used to roll forward the total OPEB liability from the valuation date to the measurement date. A summary of principal assumptions and methods used to determine the total OPEB liability is on the following pages.

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumption	June 30, 2024 Measurement Date
Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.93% using the Bond Buyer 20-Bond GO Index
Inflation	2.5% annually
Mortality Rate	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076

Changes in the total OPEB liability for the HC Plan measured as of June 30, 2024 are as follows:

	Governmental Activities					Business-Type Activities	Total Primary Government	Component Unit First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Balance at June 30, 2024	\$ 136,204	67	82	131	136,484	7,539	144,023	109
Changes recognized for the measurement period								
Service cost	8,326	9	9	25	8,369	523	8,892	8
Interest on the total OPEB liability	5,170	3	4	6	5,183	284	5,467	5
Changes of assumptions	(3,495)	(2)	(2)	(3)	(3,502)	(163)	(3,665)	(3)
Changes in proportion	237	-	-	-	237	(98)	139	14
Benefit payments	(6,207)	(1)	(7)	(8)	(6,223)	(356)	(6,579)	(5)
Net changes	4,031	9	4	20	4,064	190	4,254	19
Balance at June 30, 2025	<u>\$ 140,235</u>	<u>76</u>	<u>86</u>	<u>151</u>	<u>140,548</u>	<u>7,729</u>	<u>148,277</u>	<u>128</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County and First 5 Commission if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

Total OPEB Liability	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit-First 5 Commission
1% decrease (2.93%)	\$ 161,641	82	94	163	161,980	138
Current discount rate (3.93%)	147,964	76	86	151	148,277	128
1% increase (4.93%)	135,862	70	79	141	136,152	119

Sensitivity of the total OPEB liability to changes in the health care cost trend rate - The following presents the total OPEB liability of the County and First 5 Commission, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit-First 5 Commission
1% decrease (7.5% decreasing to 2.45% in 2076)	\$ 135,150	66	74	130	135,420	114
Current rate (8.5% decreasing to 3.45% in 2076)	147,964	76	86	151	148,277	128
1% increase (9.5% decreasing to 4.45% in 2076)	162,930	88	101	177	163,296	144

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2025, the County and the First 5 Commission recognized OPEB expense of \$1,400 and \$1, respectively. As of June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources								
Governmental Activities								
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-type Activities	Total Primary Government	Component Unit-First 5 Commission
Difference between expected and actual experience	\$ 476	-	-	-	476	-	476	-
Changes of assumptions	11,439	10	6	5	11,460	637	12,097	11
Changes in proportion	2,371	-	-	-	2,371	242	2,613	9
Benefits provided subsequent to the measurement date	6,468	3	9	1	6,481	365	6,846	6
Total	\$ 20,754	13	15	6	20,788	1,244	22,032	26

Deferred Inflows of Resources								
Governmental Activities								
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-type Activities	Total Primary Government	Component Unit-First 5 Commission
Difference between expected and actual experience	\$ 17,364	38	24	69	17,495	1,164	18,659	19
Changes of assumptions	24,704	23	12	30	24,769	1,306	26,075	22
Changes in proportion	2,162	-	-	-	2,162	144	2,306	9
Total	\$ 44,230	61	36	99	44,426	2,614	47,040	50

The \$6,846 and \$6 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2026	\$ (11,326)	(15)	(9)	(24)	(11,374)	(12)
2027	(11,326)	(15)	(9)	(24)	(11,374)	(12)
2028	(11,326)	(15)	(6)	(24)	(11,371)	(12)
2029	(11,326)	(8)	(4)	(14)	(11,352)	(12)
2030	(11,326)	(7)	(4)	(15)	(11,352)	(12)
2031-2032	24,951	9	2	7	24,969	30
Total	\$ (31,679)	(51)	(30)	(94)	(31,854)	(30)

Defined Contribution Plans

The County also provides a defined contribution other postemployment benefit through the County Retiree Health Plan (RHP). The RHP is administered by a County delegate and assets are held by a trustee - Mission Square. The Retiree Health Plan (RHP) was established to reimburse eligible participants, their spouses and dependents for eligible medical and dental expenses. The County contributes \$25 for 24 of the 26 pay periods to all eligible active employees. The investment decisions are made by the RHP participants based on a variety of investment options under the RHP. For the fiscal year ended June 30, 2025, the County contributed \$5,902 to the RHP with an outstanding liability of \$228 at June 30, 2025.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 16 - Self-Insurance

The County self-insures for general liability/property, workers' compensation, dental, and unemployment insurance claims. Self-insurance programs are accounted for in internal service funds, and interfund premium charges are treated as interfund services. Interfund premiums are based primarily upon the insured funds' claims experience and are adjusted for any excess or deficit net position within the self-insurance funds. It is the County's policy to fund the governmental funds' liability for premium charges by making provisions in budgets of succeeding years. The self-insurance internal service funds recognize revenue and the owing funds recognize an expense/expenditure when the owing funds are charged by the self-insurance internal service funds.

The Liability/Property and the Workers' Compensation Self-Insurance funds' estimated claim liabilities are actuarially determined and include claims incurred but not reported. The estimated liabilities include provisions for allocated claims adjustment expenses, including administrative, attorney, and other associated expenses. Proceeds received for salvage and subrogation are recognized as revenue in the year of receipt, and therefore, are not included in the estimated liabilities.

During the past three years, there were two instances of settlements payments that exceeded insurance coverage. Both of these instances were reported in FY 2022-23 financial statements.

Reconciliation of Claims Liabilities

	Liability/Property		Workers' Compensation		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 19,936	16,971	26,861	27,598	522	441	47,319	45,010
Noncurrent	55,112	45,749	174,320	176,565	-	-	229,432	222,314
Total beginning balance, July 1	75,048	62,720	201,181	204,163	522	441	276,751	267,324
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	19,914	16,249	24,344	23,342	18,597	17,119	62,855	56,710
Increase (decrease) in provision for insured events of prior fiscal years	42,476	36,548	8,062	2,190	-	-	50,538	38,738
Total incurred claims and claim adjustment expenses	62,390	52,797	32,406	25,532	18,597	17,119	113,393	95,448
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	818	466	3,618	2,713	17,539	16,597	21,975	19,776
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	45,608	40,003	27,552	25,801	522	-	73,682	65,804
Total payments	46,426	40,469	31,170	28,514	18,061	16,597	95,657	85,580
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	\$ 91,012	75,048	202,417	201,181	1,058	522	294,487	276,751
Current portion of unpaid claims and claim adjustments	\$ 23,046	19,936	26,987	26,861	1,058	522	51,091	47,319
Noncurrent portion of unpaid claims and claim adjustments	67,966	55,112	175,430	174,320	-	-	243,396	229,432
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	\$ 91,012	75,048	202,417	201,181	1,058	522	294,487	276,751

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Coverage for specific perils required under the terms of certain debt issues and County policies obtained from outside carriers is as follows:

Coverage	Amount	Deductible	Provision
Airport Liability & Hanger keepers	\$ 500,000*	\$10	Each occurrence
Property Program:			
Property Insurance (All Risk)	1,500,000*	50	Each occurrence
Flood	1,200,000*	50 (100 max if in Zone A)	Each occurrence
Earthquake (EQ)	25,000*	2 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	13,000	15	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	25,000	25	Each occurrence
Employee Dishonesty	25,000	25	Each occurrence
Forgery/Money/Computer Fraud	25,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	50,000	None	Not applicable
Hull (Physical Damage)	8,394	None	Not applicable
Cyber Liability	18,000*	250	Each occurrence
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	250	Each occurrence
Workers' Compensation (Excess)	Statutory*	3,000	Self-insured retention
Employer's Liability	5,000*	3,000	Self-insured retention

* Airport Liability and Hanger keepers - Effective June 30, 2015, War Risk is included at \$500 million and Terrorism is included at \$500 million. Both are per occurrence and annual aggregate. Property - County property covered for Terrorism Coverage subject to a \$750 million occurrence and annual aggregate limit. Effective March 31, 2008, Earthquake (EQ) capped at \$25 million. Effective March 31, 2021, All Risk total is at \$1.5 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective March 31, 2024, Flood total is at \$1.2 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective July 1, 2008, Workers' Compensation (Excess) limit is statutory rather than a dollar limit. Effective July 1, 2008, Employer's Liability (Excess) is at \$5 million. Cyber - \$18 million total primary and excess policy aggregate limit for all coverages, coverage subject to sublimits.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 17 - Restricted Net Position

Restricted net position is net position subject to constraints either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provision or enabling legislation.

Net position restricted by enabling legislation are comprised of \$74,580 (FAA approved passenger facility charges), \$56,160 (Customer Facility Charges) and \$7,150 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2025.

Restricted Net Position includes:

- *Bond reserves* - funds that are restricted due to being held to meet bond reserve requirements for the Airport.
- *Landfill closure* - resources legally restricted to finance postclosure care costs in the future.
- *Kiefer Wetlands Preserves* - funding for the preservation of vernal pools at the Kiefer Landfill.
- *Debt service* - finance payment of interest and principal on bonds or other long-term borrowing in accordance with bond indentures.
- *Capital projects* - financial resources used in the acquisition or construction of major capital facilities in accordance with bond indentures.
- *Passenger facilities charges* - fees collected from airline passengers which are required to be used to finance Airport projects.
- *Customer facility charges* - fees collected from rental car customers which are required to be used to finance the following Airport projects: 1) rental car facilities; 2) Transportation Systems at the Airport.
- *General government* - stormwater utility fees, ad valorem tax proceeds, interest income and other various revenues to provide storm drainage, flood control, flood preparation and stormwater quality management services.
- *Public protection* - public protection programs are comprised of the following:
 - *Probation* - funds that are restricted for the Probation Department.
 - *Police protection* - funds that are restricted for the Sheriff's Department.
 - *Clerk-Recorder* - funds that are restricted for the County Clerk-Recorder.
 - *Dispute resolution* - funds that are restricted for dispute resolution.
 - *Community development* - funds that are restricted for Community Development activities.
 - *Protection and inspection* - funds that are restricted for the Agricultural Commissioner.
 - *Fire protection* - funds that are restricted for Natomas Fire Protection, a dependent special district.
- *Public assistance* - public assistance consist of state funding for realignment program.
- *Health and sanitation programs* - health programs are comprised of the following:
 - *Water Agencies* - drainage fees and assessments used to protect the community from flood hazards.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

- *Environmental management* - provide mandated regulatory services that protect public health and the environment and funded through user fees, revenue from contracts, and other outside revenue sources.
- *Tobacco* - proceeds from the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
- *In-Home Support Services* - state funding for services to aged, blind and disabled persons who are unable to remain in their homes without assistance.
- *Mental Health Services* - state funding from 1% income tax on personal income in excess of \$1 million.
- *Alcohol and Drug programs* - state funding for alcohol and drug programs.
- *Realignment* - state funding for realignment programs.
- *Transportation* - funds from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.
- *Lighting and landscape maintenance* - funds from special assessments used to maintain landscaped corridors, medians and natural open space.
- *Economic development* - primary programs revolve around the reuse programs and the Business Environment Resource Center (BERC) program.
- *Other* - includes programs related to recreation and culture, and education.
- *Endowments* - donor restricted funds to be used to support the Airport public art in perpetuity.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 18 - Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2025 is as follows:

	Major	Nonmajor Governmental Funds			
	General Fund	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					
Inventories	\$ 3,228	-	-	-	3,228
Long-term receivables	1,351	-	-	-	1,351
Prepaid items	23,478	-	-	-	23,478
Reserves for Taxes					
Teeter Plan delinquencies	738	-	-	-	738
Teeter Plan tax loss	7,574	-	-	-	7,574
Total nonspendable	36,369	-	-	-	36,369
Restricted for:					
Public protection:					
Law Enforcement	72,413	14,147	-	-	86,560
Clerk Recorder	26,755	-	-	-	26,755
Community Development	-	1,465	-	-	1,465
Protection and Inspection	55,004	21,858	-	-	76,862
Fire Protection	-	164	-	-	164
Health and sanitation:					
Stormwater utility	-	18,730	-	-	18,730
Mental Health Services	88,467	-	-	-	88,467
Realignment	29,190	-	-	-	29,190
Tobacco Securitization Authority	-	464	-	-	464
Water Agencies	-	54,173	-	-	54,173
In-Home Support Services	-	1,091	-	-	1,091
Environmental management	-	14,478	-	-	14,478
Public assistance	58,920	-	-	-	58,920
Public ways and facilities	-	280,272	-	5,225	285,497
Recreation and culture	-	35,698	-	-	35,698
Education	-	25	-	-	25
Capital projects	-	5	-	226,784	226,789
Economic development	-	45,541	-	-	45,541
Lighting and landscape	-	7,150	-	-	7,150
Debt service	-	-	66,246	-	66,246
Total restricted	330,749	495,261	66,246	232,009	1,124,265
Assigned for:					
Technology upgrades	19,256	-	-	-	19,256
Projected budgetary deficit	100,765	-	-	-	100,765
Other purposes	25,807	-	-	-	25,807
Total assigned	145,828	-	-	-	145,828
Unassigned	149,102	-	-	-	149,102
Total	\$ 662,048	495,261	66,246	232,009	1,455,564

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

Note 19 - Contingencies

The County is a defendant in various lawsuits related to self-insurance programs and for other claims, including construction, property tax assessments and claims arising from audits of federal and state-funded programs. Some claims may not be covered under the County's excess liability insurance policy; however, management is of the opinion that the potential liability would not have a significant adverse effect on the County's financial position.

Lorenzo Mays, et al. v. County of Sacramento

On February 20, 2015, Disability Rights California (DRC) wrote to Sheriff Jones advising they are the protection and advocacy system for the State of California with the responsibility for monitoring the rights and treatment of individuals in California who suffer from psychiatric disabilities.

On April 13, 2015, DRC and the Prison Law Office (PLO) conducted a tour of the Rio Cosumnes Correctional Center. On April 14, 2015, DRC and PLO conducted a tour of the Sacramento Main Jail. On August 4, 2015, DRC and PLO issued a letter advising they had conducted tours of both facilities and submitted their "Report on Inspection of the Sacramento County Jail." Within their report, DRC and PLO allege probable cause exists to conclude prisoners with disabilities are subjected to abuse and/or neglect in the Sacramento jails. Specifically, DRC and PLO allege they found evidence of the following violations of the rights of prisoners with disabilities:

- Undue and excessive isolation and solitary confinement;
- Inadequate mental health care; and
- Denial of rights under the Americans with Disabilities Act (ADA).

Subsequent to the issuance of that report and two County-retained mental health expert reports that were also critical of the County, the County entered into a tolling agreement with DRC and PLO. The County and the advocates continued negotiations, though no agreement was achieved. Litigation was ultimately filed in the U.S. District Court, Eastern District. Negotiations on these matters continued throughout the remainder of 2018 and into the spring of 2019. The negotiations culminated in the parties reaching agreement on all outstanding issues. The Board of Supervisors approved this settlement. The consent decree was approved in January 2020. The financial exposure to the County will include increases in operating costs due to County staffing increases which could exceed \$100 million annually, as well as increases in capital costs, which may include the construction of a new jail facility which could cost \$925 million. However this plan is now paused as a new Correctional Facility Master Plan Process is underway which may result in a different range of estimated cost. Expansion of mental health care facilities within the correctional system are scheduled for FY 2026-26. This expansion will include a one-time cost of approximately \$5.8 million and annualized ongoing cost of \$10.8 million.

Leonardo Galdamez, et al. v. County of Sacramento et al.

On October 2021, the County received correspondence from the law firm Kuzyk Law LLP on behalf of Leonardo and Samantha Galdamez demanding the County refund the Sacramento County Transportation Development Fee (SCDTF). Following the receipt of the demand letter, the County entered into a tolling agreement due to one-year statute of limitations, this allowed sufficient time for the County to analyze the claim. That tolling agreement expired on June 2, 2022.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

On May 27, 2022, the Galdamez filed suit against the County reiterating their argument from the demand letter seeking a refund of the SCDTF.

At this time, a trial date has not been set. Should the County decide to pursue settlement discussions, a settlement agreement amount may be recommended following completion of discovery.

County Jail Contracts

In the Spring of 2023, the County, along with nine other defendant counties were used by individual plaintiffs challenging the commission and fees generated by telephone rates and commissary sales in each county jail. Plaintiffs allege that jail commission and fees are an unlawful tax under Article XIII C of the California Constitution.

The Article XIII C cases were consolidated by the Judicial Council as a putative class action, with the venue in Los Angeles County. Defendant Counties filed a joint demurrer on various ground, including that Plaintiffs lacked standing to sue, pursuant to County Inmate Telephone Service Cases (2020) 48 Cal. App.5th 354 (County Inmate). The Trial Court denied the Defendant Counties' demurrer, the Court certified its order for the immediate appellate review. All County Defendants filed a joint Petition for Writ of Mandate in the Court of Appeal of the State of California, Second Appellate District, which denied the petition on the grounds that the issues raised were not suited for resolution at the pleading stage. Plaintiffs have filed a pending motion for class certification, which Defendant Counties will oppose. By the end of December 2025, Defendant Counties will File a Joint motions for summary judgment.

Should Plaintiffs' succeed in their litigation, the exposure to the County from the refund of all commissions and fees would be in excess of \$10 million.

Note 20 - Tax Abatements

The County provides tax abatements under three programs: the Local Conservation Act Program, the Mills Act Program, and the Urban Agriculture Program.

Local Conservation Act Program

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full fair value. State funding was provided in 1971 by the Open Space Subvention Act, which created a formula for allocating annual payments to local governments based on acreage enrolled in the Williamson Act Program. Subvention payments were made through FY 2007-08, but have been suspended in more recent years due to revenue shortfalls.

The Assessor's Office does not set criteria for participation in the Williamson Act, nor the provisions contained in Williamson Act contracts regarding commitments by participants receiving property tax abatement, nor recapture provisions. The Assessor's Office performs annual property tax valuations using an income capitalization method in which the capitalization rate is the sum of specified interest, risk, and property tax components as prescribed in California Revenue and Taxation Code Section 423. The Assessor

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

enrolls the lowest of: 1) the property's restricted value as calculated above; 2) its Proposition 13 factored base year value; or 3) its current fair value. No other commitments were made by the County as part of those agreements.

Mills Act Program

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is an important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past. A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

The Assessor's Office is not involved in the process leading to the creation of a preservation contract. Each local government establishes their own criteria and determines how many contracts they will allow in their jurisdiction. Locally, these contracts are administered by the various planning departments within the County. The assessment of historic properties under preservation contract in California is governed by California Revenue and Taxation Code (RTC) Section 439 through 439.4. RTC Section 439.2 provides that the assessor must annually value restricted historic properties using an income approach which employs a fair rent, allowable expenses and a built up capitalization rate. The taxable value of restricted historic properties each lien date shall be the lowest of their current fair value, their factored base year value, or their restricted income value. No other commitments were made by the County as part of those agreements.

Urban Agriculture Program

The Urban Agricultural Incentive Zones Act attempts to increase the use of privately owned, vacant land for urban agriculture and improve land security for urban agriculture projects. This legislation allows city governments, with approval from their county Board of Supervisors, to create "urban agriculture incentive zones" within their boundaries. Land owners within these zones who are willing to lease land for urban agriculture (for a minimum of five years) can potentially lower the assessed value of their land. The Assessor's Office does not create urban agriculture incentive zones or implement contracts with land owners. Local jurisdictions create the geographic boundaries for each zone, enter into contracts with land owners, and process and enforce these contracts. Open-space land, under an urban agricultural incentive

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

zone contract, is assessed based on the average annual per acre value of irrigated cropland in California as reported by the US Department of Agriculture’s National Agricultural Statistics Service. The annual lien date value of land under an agricultural incentive zone contract will be the lower of the incentive zone valuation (described above), or the factored base year value. This assessment process is governed by RTC Section 422. No other commitments were made by the County as part of those agreements.

Tax Abatement Program	Amount of Taxes Abated During FY 2024-25
Land Conservation Act (Williamson Act)	\$ 1,156
Mills Act	76

Note 21 - Future GASB Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The County has not determined the effect, if any, on the financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The County has not determined the effect, if any, on the financial statements.

Note 22 - Successor Agency Trust for Assets of Former Redevelopment Agency

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the RASA. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board which has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former RDA’s redevelopment project areas. Once the ROPS is approved by the State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller’s Office distributes property taxes to the RASA from the County’s Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency’s Recognized Obligations Payment Schedule.

In July 2013, the County received notification of a “Finding of Completion” from the State Department of Finance, which allows for: 1) loan agreements between the former redevelopment agency and sponsoring

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was made for legitimate redevelopment purposes per Health and Sanitation Code (HSC) Section 34191.4(b)(1); and 2) utilizing derived proceeds from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC Section 34191.5(b), within six months from the date of the letter. The County Redevelopment Successor Agency Long Range Property Management Plan was approved by the oversight board on October 21, 2013.

During the fiscal year ended June 30, 2015, the County became aware that the RASA has a joint ownership position for a property located at 801 12th Street, Sacramento, California. The County's percentage of ownership and value of the property is yet to be determined. The County is working with the other owners of the property to determine the values of ownership for each entity.

As of June 30, 2025, the RASA owes the Sacramento County Public Financing Authority \$46,620, with payments made semi-annually on June and December first of each fiscal year.

Note 23 - Restatement

During the fiscal year ended June 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. Previously under GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrued the total outstanding vacation leave for all employees, half of outstanding sick leave for employees in applicable unions and all outstanding management leave. These were the only leave categories eligible for cash payment upon termination of employment from the County.

The primary impact of GASB statement No. 101 is for sick leave, which is accounted for in two separate ways due to different County labor union agreements. For non-management and non-attorney employees, the County assessed the sick leave liability by evaluating the portion that is more likely to be used by the employee during active service versus the portion likely to be converted to service credit under the County's defined benefit retirement plan at retirement. For management and attorney employees, 50% of the unused sick leave is settled through a cash payment upon the employee's retirement while the remaining 50% is converted to service credit. The County determined the sick leave liability as an estimate of the portion likely to be used during active service plus 50% of the remaining balance, which would be settled as a cash payment at retirement.

The County restated net position as of June 30, 2025, to properly reflect the change in accounting related to the implementation of GASB statement No. 101. The beginning net position was decreased by \$169,470 to reflect the cumulative effect of accruing the previously unrecognized sick leave liability.

On April 23, 2019, the County Board of Supervisors adopted a resolution to withdraw from the Sacramento Regional County Solid Waste Authority (SWA), a joint powers authority (JPA). The resolution effectively dissolved the SWA and transferred to the County commercial solid waste collection, removal and transportation services for its unincorporated areas effective July 1, 2021. Historically, the SWA was reported separately as a non major governmental special revenue fund. After the dissolution of SWA, it was appropriate to report its operations funded by franchise fees as part of the Solid Waste major proprietary fund. Instead it continued to be reported separately as a non major governmental special revenue fund under the Solid Waste Commercial Program fund. As of June 30, 2025, the beginning net position has been restated to properly reflect the change in the financial reporting entity.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

	6/30/2024 Ending net position, as previously reported	Change in Accounting Principle (A)	Change in Reporting Entity (B)	6/30/2024 Ending net position, as restated
Government Wide				
Governmental Activities	\$ 1,176,227	(158,562)	(8,724)	1,008,941
Business-Type Activities	1,955,758	(10,912)	8,724	1,953,570
Total Primary Government	<u>\$ 3,131,985</u>	<u>(169,474)</u>	<u>-</u>	<u>2,962,511</u>
Governmental funds				
Nonmajor funds				
Solid Waste Commercial Program	\$ 8,724	-	(8,724)	-
Proprietary funds				
Enterprise funds				
Major funds				
Airports	845,144	(5,011)	-	840,133
Solid Waste	201,212	(2,790)	8,724	207,146
Water Agency	836,922	(3,045)	-	833,877
Nonmajor funds				
Parking	9,449	(66)	-	9,383
	<u>\$ 1,892,727</u>	<u>(10,912)</u>	<u>8,724</u>	<u>1,890,539</u>
Internal Service Funds				
General Services	139,597	(5,078)	-	134,519
Regional Radio Communications System	20,235	(133)	-	20,102
Department of Technology	8,407	(7,192)	-	1,215
	<u>\$ 168,239</u>	<u>(12,403)</u>	<u>-</u>	<u>155,836</u>
Discretely Presented Component Unit				
First 5 Commission	17,880	(191)	-	17,689
	<u>\$ 17,689</u>	<u>(191)</u>	<u>-</u>	<u>17,689</u>

(A) Prior period adjustment due to implementing GASB Statement No. 101 - Compensated Absences reduced beginning net position identified in the table above.

(B) Change in financial reporting entity (nonmajor to major fund)

Note 24 - Subsequent Events

Dry Period Financing

Article 16, Section 6, of the State Constitution, permits dry period financing. It states that the County Treasurer (Director of Finance) may make temporary transfers of funds as necessary to meet the obligations incurred by district and political subdivisions whose funds are in custody and are paid out solely through the treasurer's office."

In 1980, the Board adopted a resolution (80-1434) to permit entities that collected the 1 percent ad valorem tax to obtain temporary cash transfers. Later, constitutional changes and associated County resolutions expanded this to include "all anticipated revenues". In accordance with the State Constitution, borrowing is permitted until the last Monday in April of each fiscal year in amounts that do not exceed 85 percent of all anticipated revenues.

As such, in FY 2025-26 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the 'dry period' to meet any obligations incurred. The money is essentially loaned by

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**
(amounts expressed in thousands)

the County Treasurer's Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund's \$2.305 billion in estimated revenues approved in the County's FY 2025-26 Preliminary Budget. The County's final FY 2025-26 Budget was approved in September 2025 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.292 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

Airport Revenue and Revenue Refunding Bonds

On August 20, 2025, the County issued \$322,285,000 of Airport System Senior Revenue Bonds, Series 2025A, \$92,820,000 of Airport System Subordinate Revenue Bonds, Series 2025D, \$40,155,000 of Airport System Senior Revenue Refunding Bonds, Series 2025B & 2025C, and \$44,470,000 of Airport System Subordinate Revenue Refunding Bonds, Series 2025E & 2025F. The 2025A Senior and 2025D Subordinate Bonds were issued to finance the Concourse B expansion and baggage handling improvements in Terminals A and B. The 2025B Senior Bonds were issued to advance refund a portion of the outstanding County of Sacramento Airport System Senior Revenue Refunding Bonds, Series 2016A. The 2025C Senior Bonds were issued to advance refund a portion of the outstanding County of Sacramento Airport System Senior Revenue Refunding Bonds, Series 2018B. The 2025E Subordinate Bonds were issued to advance refund a portion of the outstanding County of Sacramento Airport System Subordinate Revenue Refunding Bonds, Series 2016B. The 2025F Subordinate Bonds were issued to advance refund a portion of the outstanding County of Sacramento Airport System Subordinate Revenue Refunding Bonds, Series 2018E.





Required Supplementary Information (Unaudited)





This page intentionally left blank.

Required Supplementary Information (Unaudited)
Last Ten Years
(amounts expressed in thousands)

Page 1 of 2

Retirement Plan - Schedule of Proportionate Share of the Net Pension Liability

County	2025	2024	2023	2022	2021 ^(C)
Proportion of the net pension liability	89.002%	88.663 %	89.089 %	95.587 %	87.480 %
Proportionate share of the net pension liability	\$ 1,506,259	\$ 1,769,356	\$ 1,557,835	\$ 402,784	\$ 2,374,448
Covered payroll ^(A)	\$ 1,107,226	\$ 1,015,886	\$ 931,320	\$ 916,618	\$ 908,171
Proportionate share of the net pension liability as a percentage of its covered payroll	136.04%	174.17%	167.27 %	43.94 %	261.45 %
Plan fiduciary net position as a percentage of the total pension liability	88.72%	86.10%	87.12 %	96.76 %	78.62 %
Carmichael					
Proportion of the net pension liability	0.114%	0.120 %	0.118 %	0.047 %	0.140 %
Proportionate share of the net pension liability	\$ 1,936	\$ 2,400	\$ 2,062	\$ 199	\$ 3,790
Covered payroll ^(A)	\$ 1,514	\$ 1,360	\$ 1,228	\$ 1,156	\$ 1,250
Proportionate share of the net pension liability as a percentage of its covered payroll	127.87%	176.47%	167.84 %	17.21 %	303.20 %
Plan fiduciary net position as a percentage of the total pension liability	88.72%	86.10%	87.12 %	96.76 %	78.62 %
Mission Oaks					
Proportion of the net pension liability	0.103%	0.117 %	0.116 %	0.040 %	0.131 %
Proportionate share of the net pension liability	\$ 1,749	\$ 2,326	\$ 2,024	\$ 170	\$ 3,560
Covered payroll ^(A)	\$ 1,375	\$ 1,329	\$ 1,219	\$ 974	\$ 1,120
Proportionate share of the net pension liability as a percentage of its covered payroll	127.20%	175.02%	165.96 %	17.45 %	317.86 %
Plan fiduciary net position as a percentage of the total pension liability	88.72%	86.10%	87.12 %	96.76 %	78.62 %
Sunrise					
Proportion of the net pension liability	0.257%	0.297 %	0.247 %	0.089 %	0.294 %
Proportionate share of the net pension liability	\$ 4,357	\$ 5,934	\$ 4,325	\$ 377	\$ 7,982
Covered payroll ^(A)	\$ 3,586	\$ 3,587	\$ 2,690	\$ 2,299	\$ 2,754
Proportionate share of the net pension liability as a percentage of its covered payroll	121.50%	165.43%	160.82 %	16.39 %	289.83 %
Plan fiduciary net position as a percentage of the total pension liability	88.72%	86.10%	87.12 %	96.76 %	78.62 %
Component Unit First 5 Commission					
Proportion of the net pension liability	0.0840%	0.090 %	0.090 %	0.034 %	0.093 %
Proportionate share of the net pension liability	\$ 1,419	\$ 1,788	\$ 1,576	\$ 145	\$ 2,532
Covered payroll ^(A)	\$ 1,582	\$ 1,396	\$ 1,427	\$ 1,375	\$ 1,352
Proportionate share of the net pension liability as a percentage of its covered payroll	89.70%	128.08%	110.39 %	10.54 %	187.28 %
Plan fiduciary net position as a percentage of the total pension liability	88.72%	86.10%	87.12 %	96.76 %	78.62 %
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020

Notes to Schedule:

^(A) Covered payroll represents pensionable compensation for the fiscal year of the measurement period.^(B) In FY 2017-18, there was a reduction in the discount rate from 7.5% to 7.0%.^(C) In FY 2020-21, there was a reduction in the discount rate from 7.0% to 6.75%.

Required Supplementary Information (Unaudited)
Last Ten Years
(amounts expressed in thousands)

Page 2 of 2

County	2020	2019	2018 ^(B)	2017	2016
Proportion of the net pension liability	88.319 %	87.788 %	86.316 %	86.792 %	89.005%
Proportionate share of the net pension liability	\$ 1,831,576	\$ 1,721,818	\$ 1,838,027	\$ 1,538,375	\$ 1,023,390
Covered payroll ^(A)	\$ 874,552	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978
Proportionate share of the net pension liability as a percentage of its covered payroll	209.43 %	204.17 %	223.50 %	196.98 %	137.19%
Plan fiduciary net position as a percentage of the total pension liability	82.57 %	82.51 %	80.37 %	81.40 %	87.26%
Carmichael					
Proportion of the net pension liability	0.135 %	0.139 %	0.128 %	0.140 %	0.119%
Proportionate share of the net pension liability	\$ 2,807	\$ 2,718	\$ 2,687	\$ 2,457	\$ 1,373
Covered payroll ^(A)	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Proportionate share of the net pension liability as a percentage of its covered payroll	226.55 %	237.81 %	258.59 %	215.94 %	125.27%
Plan fiduciary net position as a percentage of the total pension liability	82.57 %	82.51 %	80.37 %	81.40 %	87.26%
Mission Oaks					
Proportion of the net pension liability	0.127 %	0.147 %	0.154 %	0.100 %	0.095%
Proportionate share of the net pension liability	\$ 2,635	\$ 2,893	\$ 3,224	\$ 1,752	\$ 1,090
Covered payroll ^(A)	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Proportionate share of the net pension liability as a percentage of its covered payroll	239.33 %	252.07 %	28.90 %	224.02 %	77.86%
Plan fiduciary net position as a percentage of the total pension liability	82.57 %	82.51 %	80.37 %	81.40 %	87.26%
Sunrise					
Proportion of the net pension liability	0.305 %	0.307 %	0.278 %	0.189 %	0.169%
Proportionate share of the net pension liability	\$ 6,315	\$ 6,015	\$ 5,833	\$ 3,321	\$ 1,939
Covered payroll ^(A)	\$ 2,839	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521
Proportionate share of the net pension liability as a percentage of its covered payroll	222.44 %	235.12 %	256.04 %	222.17 %	127.48%
Plan fiduciary net position as a percentage of the total pension liability	82.57 %	82.51 %	80.37 %	81.40 %	87.26%
Component Unit First 5 Commission					
Proportion of the net pension liability	0.083 %	0.093 %	0.115 %	0.114 %	0.099%
Proportionate share of the net pension liability	\$ 1,725	\$ 1,821	\$ 2,226	\$ 1,846	\$ 1,059
Covered payroll ^(A)	\$ 1,245	\$ 1,316	\$ 1,423	\$ 1,313	\$ 1,177
Proportionate share of the net pension liability as a percentage of its covered payroll	138.55 %	138.38 %	173.40 %	140.59 %	89.97%
Plan fiduciary net position as a percentage of the total pension liability	82.57 %	82.51 %	80.37 %	81.40 %	87.26%
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015

Notes to Schedule:

^(A) Covered payroll represents pensionable compensation for the fiscal year of the measurement period.^(B) In FY 2017-18, there was a reduction in the discount rate from 7.5% to 7.0%.^(C) In FY 2020-21, there was a reduction in the discount rate from 7.0% to 6.75%.

Required Supplementary Information (Unaudited)
Last Ten Years^(B)
(amounts expressed in thousands)

Page 1 of 2

Retirement Plan - Schedule of Contributions

County	2025	2024	2023	2022	2021
Contractually required contribution	\$ 342,663	\$ 335,784	\$ 317,400	\$ 285,039	\$ 264,487
Contributions in relation to the contractually required contribution	\$ (342,663)	\$ (335,784)	\$ (317,400)	\$ (285,039)	\$ (264,487)
Covered payroll ^(A)	\$ 1,170,994	\$ 1,107,226	\$ 1,015,886	\$ 931,320	\$ 916,618
Contributions as a percentage of covered payroll	29.26%	30.33%	31.24 %	30.61 %	28.85 %
Carmichael					
Contractually required contribution	\$ 529	\$ 516	\$ 487	\$ 430	\$ 390
Contributions in relation to the contractually required contribution	\$ (529)	\$ (516)	\$ (487)	\$ (430)	\$ (390)
Covered payroll ^(A)	\$ 1,638	\$ 1,514	\$ 1,360	\$ 1,228	\$ 1,156
Contributions as a percentage of covered payroll	32.30%	34.08%	35.81 %	35.02 %	33.74 %
Mission Oaks					
Contractually required contribution	\$ 480	\$ 466	\$ 472	\$ 421	\$ 333
Contributions in relation to the contractually required contribution	\$ (480)	\$ (466)	\$ (472)	\$ (421)	\$ (333)
Covered payroll ^(A)	\$ 1,466	\$ 1,375	\$ 1,329	\$ 1,219	\$ 974
Contributions as a percentage of covered payroll	32.74%	33.89%	35.52 %	34.54 %	34.19 %
Sunrise					
Contractually required contribution	\$ 1,145	\$ 1,161	\$ 1,204	\$ 902	\$ 740
Contributions in relation to the contractually required contribution	\$ (1,145)	\$ (1,161)	\$ (1,204)	\$ (902)	\$ (740)
Covered payroll ^(A)	\$ 3,645	\$ 3,586	\$ 3,587	\$ 2,690	\$ 2,299
Contributions as a percentage of covered payroll	31.41%	32.38%	33.57 %	33.53 %	32.19 %
Component Unit First 5 Commission					
Contractually required contribution	\$ 367	\$ 366	\$ 366	\$ 330	\$ 294
Contributions in relation to the contractually required contribution	\$ (367)	\$ (366)	\$ (366)	\$ (330)	\$ (294)
Covered payroll ^(A)	\$ 1,652	\$ 1,582	\$ 1,396	\$ 1,427	\$ 1,375
Contributions as a percentage of covered payroll	22.22%	23.14%	26.22 %	23.13 %	21.38 %

Required Supplementary Information (Unaudited)
Last Ten Years^(B)
(amounts expressed in thousands)

Page 2 of 2

County	2020	2019	2018	2017	2016
Contractually required contribution	\$ 238,546	\$ 209,613	\$ 172,257	\$ 174,767	\$ 180,678
Contributions in relation to the contractually required contribution	\$ (238,546)	\$ (209,613)	\$ (172,257)	\$ (174,767)	\$ (180,678)
Covered payroll ^(A)	\$ 908,171	\$ 874,552	\$ 843,336	\$ 816,112	\$ 780,978
Contributions as a percentage of covered payroll	26.27 %	23.97 %	20.43 %	21.41 %	23.13 %
Carmichael					
Contractually required contribution	\$ 396	\$ 360	\$ 296	\$ 274	\$ 309
Contributions in relation to the contractually required contribution	\$ (396)	\$ (360)	\$ (296)	\$ (274)	\$ (309)
Covered payroll ^(A)	\$ 1,250	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138
Contributions as a percentage of covered payroll	31.68 %	29.06 %	25.90 %	23.26 %	27.15 %
Mission Oaks					
Contractually required contribution	\$ 372	\$ 338	\$ 315	\$ 1,007	\$ 221
Contributions in relation to the contractually required contribution	\$ (372)	\$ (338)	\$ (315)	\$ (1,007)	\$ (221)
Covered payroll ^(A)	\$ 1,120	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782
Contributions as a percentage of covered payroll	33.21 %	30.70 %	27.44 %	97.11 %	28.26 %
Sunrise					
Contractually required contribution	\$ 834	\$ 810	\$ 655	\$ 597	\$ 419
Contributions in relation to the contractually required contribution	\$ (834)	\$ (810)	\$ (655)	\$ (597)	\$ (419)
Covered payroll ^(A)	\$ 2,754	\$ 2,839	\$ 2,558	\$ 1,911	\$ 1,495
Contributions as a percentage of covered payroll	30.28 %	28.53 %	25.61 %	31.24 %	28.03 %
Component Unit First 5 Commission					
Contractually required contribution	\$ 264	\$ 222	\$ 198	\$ 228	\$ 233
Contributions in relation to the contractually required contribution	\$ (264)	\$ (222)	\$ (198)	\$ (228)	\$ (233)
Covered payroll ^(A)	\$ 1,352	\$ 1,245	\$ 1,316	\$ 1,423	\$ 1,313
Contributions as a percentage of covered payroll	19.53 %	17.83 %	15.05 %	16.02 %	17.75 %

Notes to Schedule:

^(A) Covered payroll represents pensionable compensation for the current fiscal year.^(B) 10 year schedules of annual money-weighted rate of return on pension plan investments can be found in the Schedule of Annual Money-Weighted Rate of Return tables in SCERS separately issued Annual Comprehensive Financial Report (ACFR).

Required Supplementary Information (Unaudited)
Last Ten Years^{(A)(B)}
(amounts expressed in thousands)

Page 1 of 4

OPEB - Schedule of Changes in the Total OPEB Liability and Related Ratios

County	2025	2024 ^(C)	2023	2022	2021
Service cost	\$ 8,849	7,988	9,833	12,090	9,431
Actual vs. expected experience	-	(6,086)	-	(25,182)	-
Interest on the total OPEB liability	5,454	4,990	3,324	3,784	4,957
Changes in assumptions	(3,658)	7,069	(18,427)	132	18,062
Changes in proportion	139	231	166	181	(47)
Benefit payments	(6,563)	(6,354)	(5,861)	(6,085)	(5,395)
Net change in total OPEB liability	4,221	7,838	(10,965)	(15,080)	27,008
Total OPEB liability - beginning	143,743	135,905	146,870	161,950	134,942
Total OPEB liability - ending	<u>\$ 147,964</u>	<u>\$ 143,743</u>	<u>135,905</u>	<u>146,870</u>	<u>161,950</u>
Covered-employee payroll	\$ 1,187,454	1,089,417	914,895	893,647	883,579
Total OPEB liability as a percentage of covered-employee payroll	12%	13%	15 %	16 %	18 %

Carmichael	2025	2024	2023	2022	2021
Service cost	\$ 9	8	10	11	9
Actual vs. expected experience	-	(33)	-	(12)	-
Interest on the total OPEB liability	3	3	2	2	4
Changes in assumptions	(2)	8	(15)	(1)	8
Benefit payments	(1)	(3)	(10)	(12)	(14)
Net change in total OPEB liability	9	(17)	(13)	(12)	7
Total OPEB liability - beginning	67	84	97	109	102
Total OPEB liability - ending	<u>\$ 76</u>	<u>\$ 67</u>	<u>84</u>	<u>97</u>	<u>109</u>
Covered-employee payroll	\$ 1,516	1,367	993	1,009	1,017
Total OPEB liability as a percentage of covered-employee payroll	5%	5%	8 %	10 %	11 %

Notes to Schedule:

^(A) FY 2017-18 was first year of implementation^(B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.^(C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.

Required Supplementary Information (Unaudited)
Last Ten Years^{(A)(B)}
(amounts expressed in thousands)

Page 2 of 4

County	2020	2019	2018 ^(A)
Service cost	\$ 11,949	12,187	\$ 12,977
Actual vs. expected experience	(6,957)	-	-
Interest on the total OPEB liability	7,183	6,378	5,122
Changes in assumptions	(47,435)	(4,510)	(13,042)
Changes in proportion	104	263	-
Benefit payments	(6,883)	(6,050)	(6,051)
Net change in total OPEB liability	(42,039)	8,268	(994)
Total OPEB liability - beginning	176,981	168,713	169,707
Total OPEB liability - ending	134,942	176,981	\$ 168,713
Covered-employee payroll	\$ 845,535	765,327	\$ 818,852
Total OPEB liability as a percentage of covered-employee payroll	16 %	23 %	21 %

Carmichael	2020	2019	2018
Service cost	\$ 10	11	\$ 12
Actual vs. expected experience	(29)	-	-
Interest on the total OPEB liability	7	6	4
Changes in assumptions	(39)	(3)	(8)
Benefit payments	(10)	(7)	(5)
Net change in total OPEB liability	(61)	7	3
Total OPEB liability - beginning	163	156	153
Total OPEB liability - ending	102	163	\$ 156
Covered-employee payroll	\$ 923	1,050	\$ 1,039
Total OPEB liability as a percentage of covered-employee payroll	11 %	16 %	15 %

Notes to Schedule:

^(A) FY 2017-18 was first year of implementation^(B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.^(C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.

Required Supplementary Information (Unaudited)
Last Ten Years^{(A)(B)}
(amounts expressed in thousands)

Page 3 of 4

Mission Oaks	2025	2024	2023	2022	2021
Service cost	\$ 9	8	10	13	12
Actual vs. expected experience	-	(21)	-	(7)	-
Interest on the total OPEB liability	4	3	2	2	3
Changes in assumptions	(2)	3	(9)	3	6
Benefit payments	(7)	(8)	(6)	(4)	(2)
Net change in total OPEB liability	4	(15)	(3)	7	19
Total OPEB liability - beginning	82	97	100	93	74
Total OPEB liability - ending	<u>\$ 86</u>	<u>\$ 82</u>	<u>97</u>	<u>100</u>	<u>93</u>
Covered-employee payroll	\$ 1,229	1,216	1,052	827	949
Total OPEB liability as a percentage of covered-employee payroll	7%	7%	9 %	12 %	10 %

Sunrise	2025	2024	2023	2022	2021
Service cost	\$ 25	24	27	42	36
Actual vs. expected experience	-	(38)	-	(58)	-
Interest on the total OPEB liability	6	6	4	4	6
Changes in assumptions	(3)	(3)	(13)	(15)	13
Benefit payments	(8)	(9)	(6)	(6)	(2)
Net change in total OPEB liability	20	(20)	12	(33)	53
Total OPEB liability - beginning	131	151	139	172	119
Total OPEB liability - ending	<u>\$ 151</u>	<u>\$ 131</u>	<u>151</u>	<u>139</u>	<u>172</u>
Covered-employee payroll	\$ 3,230	1,906	1,460	1,274	1,409
Total OPEB liability as a percentage of covered-employee payroll	5%	7%	10 %	11 %	12 %

Component Unit First 5 Commission	2025	2024	2023	2022	2021
Service cost	\$ 8	7	8	13	10
Actual vs. expected experience	-	(5)	-	(29)	-
Interest on the total OPEB liability	5	4	3	3	4
Changes in assumptions	(3)	7	(11)	-	13
Change in proportion	14	(4)	(12)	(3)	1
Benefit payments	(5)	(5)	(5)	(6)	(5)
Net change in total OPEB liability	19	4	(17)	(22)	23
Total OPEB liability - beginning	109	105	122	144	121
Total OPEB liability - ending	<u>\$ 128</u>	<u>\$ 109</u>	<u>105</u>	<u>122</u>	<u>144</u>
Covered-employee payroll	\$ 1,289	1,047	911	987	998
Total OPEB liability as a percentage of covered-employee payroll	10%	10%	12 %	12 %	14 %

Notes to Schedule:

^(A) FY 2017-18 was first year of implementation^(B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.^(C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.

Required Supplementary Information (Unaudited)
Last Ten Years^{(A)(B)}
(amounts expressed in thousands)

Page 4 of 4

Mission Oaks	2020	2019	2018 ^(A)
Service cost	\$ 11	11	12
Actual vs. expected experience	(20)	-	-
Interest on the total OPEB liability	4	4	3
Changes in assumptions	(25)	(1)	(6)
Benefit payments	(3)	(9)	(7)
Net change in total OPEB liability	(33)	5	2
Total OPEB liability - beginning	107	102	100
Total OPEB liability - ending	74	107	102
Covered-employee payroll	\$ 871	845	1,116
Total OPEB liability as a percentage of covered-employee payroll	8 %	13 %	9 %
Sunrise	2020	2019	2018
Service cost	\$ 28	28	\$ 29
Actual vs. expected experience	(42)	-	-
Interest on the total OPEB liability	8	6	4
Changes in assumptions	(38)	(3)	(2)
Benefit payments	(8)	(3)	(7)
Net change in total OPEB liability	(52)	28	24
Total OPEB liability - beginning	171	143	119
Total OPEB liability - ending	119	171	\$ 143
Covered-employee payroll	\$ 1,720	1,580	\$ 2,278
Total OPEB liability as a percentage of covered-employee payroll	7 %	11 %	6 %
Component Unit First 5 Commission	2020	2019	2018
Service cost	\$ 14	13	\$ 15
Actual vs. expected experience	7	-	-
Interest on the total OPEB liability	(7)	7	5
Changes in assumptions	(52)	(4)	(12)
Change in proportion	(15)	(5)	-
Benefit payments	(8)	(7)	(6)
Net change in total OPEB liability	(61)	4	2
Total OPEB liability - beginning	182	178	176
Total OPEB liability - ending	121	182	\$ 178
Covered-employee payroll	\$ 948	933	\$ 1,284
Total OPEB liability as a percentage of covered-employee payroll	13 %	20 %	14 %

Notes to Schedule:

^(A) FY 2017-18 was first year of implementation^(B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.^(C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.



Nonmajor Governmental Funds Section





This page intentionally left blank.

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)**

	Special Revenue	Debt Service	Capital Projects	Total
Assets:				
Cash and investments	\$ 503,166	31,728	242,074	776,968
Receivables, net of allowance for uncollectibles:				
Billed	17,129	-	6,936	24,065
Interest	8,870	504	8,100	17,474
Intergovernmental	32,382	-	293	32,675
Leases	1,538	-	-	1,538
Loan receivable from County Successor Agency	-	46,620	-	46,620
Loan receivable from City Successor Agency	-	3,086	-	3,086
Long-term receivables, other	7,898	34,035	2,965	44,898
Long-term receivable, leases	14,698	-	-	14,698
Total assets	\$ 585,681	115,973	260,368	962,022
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Warrants payable	\$ 5,349	-	3,736	9,085
Accrued liabilities	39,662	21	10,889	50,572
Intergovernmental payable	20,159	-	10,769	30,928
Unearned revenues	972	-	-	972
Total liabilities	66,142	21	25,394	91,557
Deferred inflows of resources:				
Deferred inflows relating to unavailable revenues	9,116	49,706	2,965	61,787
Deferred inflows related to leases	15,162	-	-	15,162
Total deferred inflows of resources	24,278	49,706	2,965	76,949
Fund balances:				
Restricted	495,261	66,246	232,009	793,516
Total fund balances	495,261	66,246	232,009	793,516
Total liabilities, deferred inflows of resources and fund balances	\$ 585,681	115,973	260,368	962,022

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ 69,946	-	4,436	74,382
Use of money and property	27,343	1,738	10,473	39,554
Licenses and permits	67,318	-	-	67,318
Intergovernmental	145,934	21,128	26,408	193,470
Charges for sales and services	194,317	-	41,730	236,047
Fines, forfeitures and penalties	141	14,464	1,716	16,321
Pledged tobacco settlement	13,082	-	-	13,082
Miscellaneous	8,623	-	3,686	12,309
Total revenues	526,704	37,330	88,449	652,483
Expenditures:				
Current				
General government	28,035	-	-	28,035
Public protection	114,248	-	-	114,248
Health and sanitation	79,285	-	-	79,285
Public ways and facilities	226,624	-	-	226,624
Recreation and culture	26,373	-	26	26,399
Education	1,391	-	-	1,391
Capital outlay	1,674	-	86,952	88,626
Debt service				
Principal	1,719	175,129	-	176,848
Bond issuance costs	272	-	-	272
Interest and fiscal charges	1,123	39,716	-	40,839
Total expenditures	480,744	214,845	86,978	782,567
Excess (deficiency) of revenues over (under) expenditures	45,960	(177,515)	1,471	(130,084)
Other financing sources (uses):				
Transfers in	31,497	163,098	1,394	195,989
Transfers out	(24,941)	(13,248)	(298)	(38,487)
Issuance of long-term debt	12,200	33,914	-	46,114
Premiums on debt issued	750	-	-	750
Total other financing sources (uses)	19,506	183,764	1,096	204,366
Changes in fund balances	65,466	6,249	2,567	74,282
Fund balances - beginning	438,519	59,997	229,442	727,958
Restatements	(8,724)	-	-	(8,724)
Fund balances - beginning, as restated	429,795	59,997	229,442	719,234
Fund balances - ending	\$ 495,261	66,246	232,009	793,516



Special Revenue Funds





This page intentionally left blank.

SPECIAL REVENUE FUNDS

Road - Accounts for financing the construction and maintenance of the County's unincorporated area road systems through planning, environmental analysis, traffic engineering and design, operations, traffic signals, street lights, signs and markings, right-of-way acquisitions, safety related improvements and radar/speed control.

Solid Waste Commercial Program - Accounts for the regulation of commercial solid waste and recycling collection by franchised haulers within the incorporated areas of the County of Sacramento based on ordinances approved by the County Board of Supervisors and funded by commercial franchise fees.

County Library - Accounts for capital maintenance and related costs at the County-owned Sacramento Public Library branches.

Transportation Sales Tax - Accounts for the public road improvements in the unincorporated area of the County that are funded from Measure A Transportation Sales Tax.

Building Inspection - Accounts for building inspection and code enforcement services to the unincorporated area of the County and is subject to Proposition 218 requirements. Proposition 218 prohibits property related fees from exceeding costs of services provided and the fees from the revenues shall not be used for any purpose other than that for which the fee was imposed.

Fixed Asset Revolving - Provides funding for payment of fixed asset debt service in accordance with the requirements of the financing documents.

Lighting and Landscape Maintenance Districts - As a blended component unit of the County, provides funding to plan, design, construct and maintain street and highway safety lighting facilities along streets and intersections in the unincorporated area of the County and provides funding for the maintenance of approximately 2 million square feet of landscaped corridors, medians and open spaces that exist throughout the County and is financed by service charges through direct levy subject to Proposition 218 requirements.

Park Districts and Park Service Areas - As a blended component unit of the County, accounts for the operation of three Board of Supervisors-governed park districts and for administrative and program assistance provided by the Department of Parks and Recreation to County Service Area Four and County Service Area No. 10.

Water Agencies - As a blended component unit of the County, consists of various zones created to provide specialized services within specific geographic areas and is subject to Proposition 218 requirements.

Stormwater Utility Program - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region subject to Proposition 218 requirements.

Inmate Welfare - Accounts for revenues and expenditures used for the benefit, education and welfare of inmates.

Economic Development - Oversees and is responsible for economic development matters within the County including the operation of the County's Business Environmental Resource Center (BERC), activities related to the redevelopment of the former McClellan and Mather air force bases and marketing efforts of the County. The department also engages in more general economic development and job creation programs.

Roadways - Provides financing for public road improvements within several geographical districts in response to land use decisions, population growth and anticipated future development. Development fees provide the funding for the improvements and are charged when commercial and residential building permits are approved.

Tobacco Securitization Authority of Northern California - As a blended component unit of the County, accounts for revenues and expenditures associated with the Authority, including activities such as the collection of tobacco settlement revenues, administration of bond debt and proceeds and the transferring of funds to the Tobacco Litigation Settlement debt service fund necessary to make required debt service payments.

Environmental Management - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials funded through permits, licenses, registration, fees and penalties.

Jail Industry - Used for the operation or expansion of the jail industry program or to cover operating of county detention facilities.

Sacramento County Groundwater Sustainability Agency (SCGSA) - Fee revenues from SCGSA are used to support the JPA Groundwater Sustainability Agency's (GSA) groundwater sustainability program, administration costs, implementation of Groundwater Sustainability Plan, projects and management actions.

Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (Metro Airpark EIFD) - As a blended component unit of the County, accounts for revenues and expenditures with the EIFD to facilitate economic growth throughout the Metro Air Park region and to support the growth of economic activity within the Metro Airpark EIFD.

Other - Accounts for miscellaneous Special Revenue Funds of the County.

Fish and Game Propagation - Accounts for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Recreation and Park Commission makes annual recommendations to the Board of Supervisors regarding expenditures within this fund.

In-Home Support Services Authority - Established via Sacramento County Code 2.97 in accordance with the state mandate established in WIC 12301.6 which requires assistance to recipients in finding in-home supportive services personnel through the establishment of a registry, investigation of potential personnel, establishes a referral system, provides training for providers and recipients and performs any other functions related to the delivery of in-home supportive services, funded by State Realignment and Federal reimbursements.

Mather Landscape Maintenance Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Mather Public Facilities Financing Plan (PFFP) - Provides portions of the major public infrastructure roadway facilities for the Mather area, funded by development impact fees.

Gold River Station #7 Landscape Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Natomas Fire District - Funds the provision of fire protection services in the Natomas area from property taxes.

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 1 of 4

	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
Assets:					
Cash and investments	\$ 182,785	-	20	7,203	25,797
Receivables, net of allowance for uncollectibles:					
Billed	3,112	-	-	1,790	2,462
Interest	3,312	-	5	124	429
Intergovernmental	13,873	-	-	14,291	61
Leases	-	-	-	-	-
Long-term receivables, other	-	-	-	-	-
Long-term receivable, leases	-	-	-	-	-
Total assets	\$ 203,082	-	25	23,408	28,749
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ 4,436	-	-	20	141
Accrued liabilities	12,571	-	-	8,962	3,702
Intergovernmental payable	42	-	-	5,813	2,546
Unearned revenues	-	-	-	-	362
Total liabilities	17,049	-	-	14,795	6,751
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	383	-	-	299	140
Deferred inflows related to leases	-	-	-	-	-
Total deferred inflows of resources	383	-	-	299	140
Fund balances:					
Restricted	185,650	-	25	8,314	21,858
Total fund balances	185,650	-	25	8,314	21,858
Total liabilities, deferred inflows of resources and fund balances	\$ 203,082	-	25	23,408	28,749

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 2 of 4

	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Assets:					
Cash and investments	\$ -	6,425	41,307	53,340	16,930
Receivables, net of allowance for uncollectibles:					
Billed	-	31	1,179	-	2,343
Interest	-	114	330	1,083	333
Intergovernmental	-	-	397	-	-
Leases	-	-	1,376	-	-
Long-term receivables, other	-	-	89	139	-
Long-term receivable, leases	-	-	14,502	-	-
Total assets	<u>\$ -</u>	<u>6,570</u>	<u>59,180</u>	<u>54,562</u>	<u>19,606</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ -	154	351	42	60
Accrued liabilities	-	1	652	208	763
Intergovernmental payable	-	-	6,844	-	53
Unearned revenues	-	-	610	-	-
Total liabilities	<u>-</u>	<u>155</u>	<u>8,457</u>	<u>250</u>	<u>876</u>
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	-	-	233	139	-
Deferred inflows related to leases	-	-	14,810	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>15,043</u>	<u>139</u>	<u>-</u>
Fund balances:					
Restricted	-	6,415	35,680	54,173	18,730
Total fund balances	<u>-</u>	<u>6,415</u>	<u>35,680</u>	<u>54,173</u>	<u>18,730</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>6,570</u>	<u>59,180</u>	<u>54,562</u>	<u>19,606</u>

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 3 of 4

	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Assets:					
Cash and investments	\$ 17,788	47,480	82,061	517	13,383
Receivables, net of allowance for uncollectibles:					
Billed	290	5,527	(1,771)	-	2,165
Interest	319	778	1,604	-	266
Intergovernmental	-	-	3,144	-	-
Leases	-	162	-	-	-
Long-term receivables, other	-	-	1,129	6,541	-
Long-term receivable, leases	-	196	-	-	-
Total assets	<u>\$ 18,397</u>	<u>54,143</u>	<u>86,167</u>	<u>7,058</u>	<u>15,814</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ -	31	1	-	43
Accrued liabilities	602	7,741	1	53	762
Intergovernmental payable	3,995	478	-	-	279
Unearned revenues	-	-	-	-	-
Total liabilities	<u>4,597</u>	<u>8,250</u>	<u>2</u>	<u>53</u>	<u>1,084</u>
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	-	-	1,129	6,541	252
Deferred inflows related to leases	-	352	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>352</u>	<u>1,129</u>	<u>6,541</u>	<u>252</u>
Fund balances:					
Restricted	13,800	45,541	85,036	464	14,478
Total fund balances	<u>13,800</u>	<u>45,541</u>	<u>85,036</u>	<u>464</u>	<u>14,478</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,397</u>	<u>54,143</u>	<u>86,167</u>	<u>7,058</u>	<u>15,814</u>

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Metro Air Park EIFD	Other	Total
Assets:					
Cash and investments	\$ 376	58	366	7,330	503,166
Receivables, net of allowance for uncollectibles:					
Billed	-	-	-	1	17,129
Interest	6	-	26	141	8,870
Intergovernmental	-	-	-	616	32,382
Leases	-	-	-	-	1,538
Long-term receivables, other	-	-	-	-	7,898
Long-term receivable, leases	-	-	-	-	14,698
Total assets	<u>\$ 382</u>	<u>58</u>	<u>392</u>	<u>8,088</u>	<u>585,681</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ 2	53	-	15	5,349
Accrued liabilities	33	-	-	3,611	39,662
Intergovernmental payable	-	-	-	109	20,159
Unearned revenues	-	-	-	-	972
Total liabilities	<u>35</u>	<u>53</u>	<u>-</u>	<u>3,735</u>	<u>66,142</u>
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	-	-	-	-	9,116
Deferred inflows related to leases	-	-	-	-	15,162
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,278</u>
Fund balances:					
Restricted	347	5	392	4,353	495,261
Total fund balances	<u>347</u>	<u>5</u>	<u>392</u>	<u>4,353</u>	<u>495,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 382</u>	<u>58</u>	<u>392</u>	<u>8,088</u>	<u>585,681</u>

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 1 of 4

	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
Revenues:					
Taxes	\$ 1,427	-	-	38,243	-
Use of money and property	7,462	-	4	499	485
Licenses and permits	1,598	-	-	-	23,943
Intergovernmental	101,599	-	1,318	17,213	51
Charges for sales and services	65,278	-	-	-	67,862
Fines, forfeitures and penalties	-	-	-	-	132
Pledged tobacco settlement	-	-	-	-	-
Miscellaneous	1,557	-	-	458	447
Total revenues	178,921	-	1,322	56,413	92,920
Expenditures:					
Current					
General government	-	-	-	-	-
Public protection	-	-	-	-	91,973
Health and sanitation	-	-	-	-	-
Public ways and facilities	172,482	-	-	54,051	-
Recreation and culture	-	-	-	-	-
Education	-	-	1,391	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	172,482	-	1,391	54,051	91,973
Excess (deficiency) of revenues over (under) expenditures	6,439	-	(69)	2,362	947
Other financing sources (uses):					
Transfers in	24,555	-	-	-	5,164
Transfers out	(2,988)	-	-	-	(2,609)
Issuance of long-term debt	-	-	-	-	-
Premiums on debt issued	-	-	-	-	-
Total other financing sources (uses)	21,567	-	-	-	2,555
Changes in fund balances	28,006	-	(69)	2,362	3,502
Fund balances - beginning	157,644	8,724	94	5,952	18,356
Restatements	-	(8,724)	-	-	-
Fund balances - beginning, as restated	157,644	-	94	5,952	18,356
Fund balances - ending	\$ 185,650	-	25	8,314	21,858

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 2 of 4

	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Revenues:					
Taxes	\$ -	856	13,915	-	9,067
Use of money and property	-	261	6,256	2,503	771
Licenses and permits	-	-	-	5,911	-
Intergovernmental	-	6	3,272	758	448
Charges for sales and services	3,842	2,843	2,712	6,078	30,711
Fines, forfeitures and penalties	-	-	-	-	-
Pledged tobacco settlement	-	-	-	-	-
Miscellaneous	-	23	2,060	-	77
Total revenues	3,842	3,989	28,215	15,250	41,074
Expenditures:					
Current					
General government	-	3,412	-	-	-
Public protection	-	-	-	-	-
Health and sanitation	-	-	-	13,025	40,551
Public ways and facilities	-	-	-	-	-
Recreation and culture	-	-	26,365	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	1,006	-	-
Bond issuance costs	-	-	272	-	-
Interest and fiscal charges	-	-	653	111	-
Total expenditures	-	3,412	28,296	13,136	40,551
Excess (deficiency) of revenues over (under) expenditures	3,842	577	(81)	2,114	523
Other financing sources (uses):					
Transfers in	-	693	-	300	-
Transfers out	(3,842)	-	-	-	(1,231)
Issuance of long-term debt	-	-	12,200	-	-
Premiums on debt issued	-	-	750	-	-
Total other financing sources (uses)	(3,842)	693	12,950	300	(1,231)
Changes in fund balances	-	1,270	12,869	2,414	(708)
Fund balances - beginning	-	5,145	22,811	51,759	19,438
Restatements	-	-	-	-	-
Fund balances - beginning, as restated	-	5,145	22,811	51,759	19,438
Fund balances - ending	\$ -	6,415	35,680	54,173	18,730

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 3 of 4

	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Revenues:					
Taxes	\$ -	-	-	-	-
Use of money and property	1,578	2,822	3,675	18	604
Licenses and permits	-	267	9,953	-	20,505
Intergovernmental	-	16,618	151	-	1,947
Charges for sales and services	9,048	4,443	-	-	967
Fines, forfeitures and penalties	-	-	-	-	-
Pledged tobacco settlement	-	-	-	13,082	-
Miscellaneous	198	655	740	-	1,044
Total revenues	10,824	24,805	14,519	13,100	25,067
Expenditures:					
Current					
General government	-	24,380	-	-	-
Public protection	11,167	-	-	-	-
Health and sanitation	-	-	-	-	21,757
Public ways and facilities	-	-	91	-	-
Recreation and culture	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	713
Bond issuance costs	-	-	-	-	-
Interest and fiscal charges	-	-	-	225	134
Total expenditures	11,167	24,380	91	225	22,604
Excess (deficiency) of revenues over (under) expenditures	(343)	425	14,428	12,875	2,463
Other financing sources (uses):					
Transfers in	-	460	-	-	325
Transfers out	-	(313)	-	(12,867)	(1,091)
Issuance of long-term debt	-	-	-	-	-
Premiums on debt issued	-	-	-	-	-
Total other financing sources (uses)	-	147	-	(12,867)	(766)
Changes in fund balances	(343)	572	14,428	8	1,697
Fund balances - beginning	14,143	44,969	70,608	456	12,781
Restatements	-	-	-	-	-
Fund balances - beginning, as restated	14,143	44,969	70,608	456	12,781
Fund balances - ending	\$ 13,800	45,541	85,036	464	14,478

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Metro Air Park EIFD	Other	Total
Revenues:					
Taxes	\$ 17	-	1,822	4,599	69,946
Use of money and property	17	1	64	323	27,343
Licenses and permits	-	-	-	5,141	67,318
Intergovernmental	-	-	7	2,546	145,934
Charges for sales and services	253	55	-	225	194,317
Fines, forfeitures and penalties	-	-	-	9	141
Pledged tobacco settlement	-	-	-	-	13,082
Miscellaneous	-	-	-	1,364	8,623
Total revenues	287	56	1,893	14,207	526,704
Expenditures:					
Current					
General government	-	-	-	243	28,035
Public protection	278	-	-	10,830	114,248
Health and sanitation	-	53	-	3,899	79,285
Public ways and facilities	-	-	-	-	226,624
Recreation and culture	-	-	-	8	26,373
Education	-	-	-	-	1,391
Capital outlay	-	-	1,674	-	1,674
Debt service					
Principal	-	-	-	-	1,719
Bond issuance costs	-	-	-	-	272
Interest and fiscal charges	-	-	-	-	1,123
Total expenditures	278	53	1,674	14,980	480,744
Excess (deficiency) of revenues over (under) expenditures	9	3	219	(773)	45,960
Other financing sources (uses):					
Transfers in	-	-	-	-	31,497
Transfers out	-	-	-	-	(24,941)
Issuance of long-term debt	-	-	-	-	12,200
Premiums on debt issued	-	-	-	-	750
Total other financing sources (uses)	-	-	-	-	19,506
Changes in fund balances	9	3	219	(773)	65,466
Fund balances - beginning	338	2	173	5,126	438,519
Restatements	-	-	-	-	(8,724)
Fund balances - beginning, as restated	338	2	173	5,126	429,795
Fund balances - ending	\$ 347	5	392	4,353	495,261

Road Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 1,508	776	1,427	651
Use of money and property	4,114	4,114	7,462	3,348
Licenses and permits	1,587	1,587	1,598	11
Intergovernmental	112,214	114,072	101,599	(12,473)
Charges for sales and services	68,865	64,522	65,278	756
Fines, forfeitures and penalties	152	152	-	(152)
Miscellaneous	893	925	1,557	632
Total revenues	189,333	186,148	178,921	(7,227)
Expenditures:				
Current				
Public ways and facilities	314,095	341,391	172,482	168,909
Excess (deficiency) of revenues over (under) expenditures	(124,762)	(155,243)	6,439	161,682
Other financing sources (uses):				
Transfers in	24,555	24,555	24,555	-
Transfers out	(2,988)	(2,988)	(2,988)	-
Total other financing sources (uses)	21,567	21,567	21,567	-
Changes in fund balances	(103,195)	(133,676)	28,006	161,682
Fund balances - beginning	157,644	157,644	157,644	-
Fund balances - ending	\$ 54,449	23,968	185,650	161,682

Solid Waste Commercial Program Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 4,765	4,765	-	(4,765)
Fines, forfeitures and penalties	101	101	-	(101)
Miscellaneous	962	962	-	(962)
Total revenues	5,828	5,828	-	(5,828)
Expenditures:				
Current				
Health and sanitation	5,288	5,288	-	5,288
Excess (deficiency) of revenues over (under) expenditures	540	540	-	(540)
Other financing sources (uses):				
Transfers out	(693)	(693)	-	693
Changes in fund balances	(153)	(153)	-	153
Fund balances - beginning	8,724	8,724	8,724	-
Restatements	(8,724)	(8,724)	(8,724)	-
Fund balances - beginning, as restated	-	-	-	-
Fund balances - ending	\$ (153)	(153)	-	153

County Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 6	6	4	(2)
Intergovernmental	1,318	1,318	1,318	-
Total revenues	1,324	1,324	1,322	(2)
Expenditures:				
Current				
Education	1,397	1,416	1,391	25
Changes in fund balances	(73)	(92)	(69)	23
Fund balances - beginning	94	94	94	-
Fund balances - ending	\$ 21	2	25	23

Transportation Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 36,586	43,858	38,243	(5,615)
Use of money and property	256	256	499	243
Intergovernmental	36,657	40,409	17,213	(23,196)
Miscellaneous	-	-	458	458
Total revenues	73,499	84,523	56,413	(28,110)
Expenditures:				
Current				
Public ways and facilities	75,879	86,764	54,051	32,713
Changes in fund balances	(2,380)	(2,241)	2,362	4,603
Fund balances - beginning	5,952	5,952	5,952	-
Fund balances - ending	\$ 3,572	3,711	8,314	4,603

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 43	43	485	442
Licenses and permits	24,469	24,469	23,943	(526)
Intergovernmental	50	50	51	1
Charges for sales and services	72,134	75,073	67,862	(7,211)
Fines, forfeitures and penalties	53	53	132	79
Miscellaneous	408	408	447	39
Total revenues	97,157	100,096	92,920	(7,176)
Expenditures:				
Current				
Public protection	103,449	105,999	91,973	14,026
Excess (deficiency) of revenues over (under) expenditures	(6,292)	(5,903)	947	6,850
Other financing sources (uses):				
Transfers in	5,164	5,164	5,164	-
Transfers out	(2,609)	(2,609)	(2,609)	-
Total other financing sources (uses)	2,555	2,555	2,555	-
Changes in fund balances	(3,737)	(3,348)	3,502	6,850
Fund balances - beginning	18,356	18,356	18,356	-
Fund balances - ending	\$ 14,619	15,008	21,858	6,850

Fixed Asset Revolving Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for sales and services	\$ -	-	3,842	3,842
Miscellaneous	\$ 3,833	3,833	-	(3,833)
Total revenues	3,833	3,833	3,842	9
Excess (deficiency) of revenues over (under) expenditures	3,833	3,833	3,842	9
Other financing sources (uses):				
Transfers out	(3,842)	(3,842)	(3,842)	-
Changes in fund balances	(9)	(9)	-	9
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (9)	(9)	-	9

Lighting and Landscape Maintenance Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 733	733	856	123
Use of money and property	131	131	261	130
Intergovernmental	5	5	6	1
Charges for sales and services	2,743	2,743	2,843	100
Miscellaneous	5	5	23	18
Total revenues	3,617	3,617	3,989	372
Expenditures:				
Current				
General government	4,641	4,580	3,412	1,168
Excess (deficiency) of revenues over (under) expenditures	(1,024)	(963)	577	1,540
Other financing sources (uses):				
Transfers in	693	693	693	-
Changes in fund balances	(331)	(270)	1,270	1,540
Fund balances - beginning	5,145	5,145	5,145	-
Fund balances - ending	\$ 4,814	4,875	6,415	1,540

Park Districts and Park Service Areas Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 14,097	14,491	13,915	(576)
Use of money and property	2,945	3,111	6,256	3,145
Intergovernmental	1,752	2,682	3,272	590
Charges for sales and services	6,447	7,062	2,712	(4,350)
Fines, forfeitures and penalties	1	1	-	(1)
Miscellaneous	2,684	3,142	2,060	(1,082)
Total revenues	27,926	30,489	28,215	(2,274)
Expenditures:				
Current				
Recreation and culture	40,413	45,308	26,365	18,943
Debt service				
Principal	1,006	1,006	1,006	-
Bond issuance costs	-	272	272	-
Interest and fiscal charges	611	653	653	-
Total expenditures	42,030	47,239	28,296	18,943
Excess (deficiency) of revenues over (under) expenditures	(14,104)	(16,750)	(81)	16,669
Other financing sources (uses):				
Issuance of long-term debt	-	12,200	12,200	-
Premiums on debt issued	-	750	750	-
Total other financing sources (uses)	-	12,950	12,950	-
Changes in fund balances	(14,104)	(3,800)	12,869	16,669
Fund balances - beginning	22,811	22,811	22,811	-
Fund balances - ending	\$ 8,707	19,011	35,680	16,669

Water Agencies Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 724	724	2,503	1,779
Licenses and permits	5,916	5,916	5,911	(5)
Intergovernmental	250	175	758	583
Charges for sales and services	9,137	11,932	6,078	(5,854)
Total revenues	16,027	18,747	15,250	(3,497)
Expenditures:				
Current				
Health and sanitation	25,529	28,975	13,025	15,950
Debt service				
Interest and fiscal charges	15	15	111	(96)
Total expenditures	25,544	28,990	13,136	15,854
Excess (deficiency) of revenues over (under) expenditures	(9,517)	(10,243)	2,114	12,357
Other financing sources (uses):				
Transfers in	300	300	300	-
Changes in fund balances	(9,217)	(9,943)	2,414	12,357
Fund balances - beginning	51,759	51,759	51,759	-
Fund balances - ending	\$ 42,542	41,816	54,173	12,357

Stormwater Utility Program Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 8,322	8,322	9,067	745
Use of money and property	289	289	771	482
Intergovernmental	1,910	1,910	448	(1,462)
Charges for sales and services	30,298	30,616	30,711	95
Fines, forfeitures and penalties	2	2	-	(2)
Miscellaneous	24	24	77	53
Total revenues	40,845	41,163	41,074	(89)
Expenditures:				
Current				
Health and sanitation	45,611	46,847	40,551	6,296
Excess (deficiency) of revenues over (under) expenditures	(4,766)	(5,684)	523	6,207
Other financing sources (uses):				
Transfers out	(1,231)	(1,231)	(1,231)	-
Changes in fund balances	(5,997)	(6,915)	(708)	6,207
Fund balances - beginning	19,438	19,438	19,438	-
Fund balances - ending	\$ 13,441	12,523	18,730	6,207

Economic Development Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 1,541	1,541	2,822	1,281
Licenses and permits	147	147	267	120
Intergovernmental	16,380	24,261	16,618	(7,643)
Charges for sales and services	4,462	4,493	4,443	(50)
Miscellaneous	622	622	655	33
Total revenues	23,152	31,064	24,805	(6,259)
Expenditures:				
Current				
General government	44,246	48,907	24,380	24,527
Excess (deficiency) of revenues over (under) expenditures	(21,094)	(17,843)	425	18,268
Other financing sources (uses):				
Transfers in	460	460	460	-
Transfers out	(313)	(313)	(313)	-
Total other financing sources (uses)	147	147	147	-
Changes in fund balances	(20,947)	(17,696)	572	18,268
Fund balances - beginning	44,969	44,969	44,969	-
Fund balances - ending	\$ 24,022	27,273	45,541	18,268

Roadways Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 1,809	1,809	3,675	1,866
Licenses and permits	12,815	12,815	9,953	(2,862)
Intergovernmental	129	129	151	22
Miscellaneous	475	475	740	265
Total revenues	15,228	15,228	14,519	(709)
Expenditures:				
Current				
Public ways and facilities	31,200	29,075	91	28,984
Changes in fund balances	(15,972)	(13,847)	14,428	28,275
Fund balances - beginning	70,608	70,608	70,608	-
Fund balances - ending	\$ 54,636	56,761	85,036	28,275

Tobacco Securitization Authority of Northern California Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	18	18
Pledged tobacco settlement	-	-	13,082	13,082
Total revenues	-	-	13,100	13,100
Expenditures:				
Debt service				
Interest and fiscal charges	235	235	225	10
Excess (deficiency) of revenues over (under) expenditures	(235)	(235)	12,875	13,110
Other financing sources (uses):				
Transfers out	-	-	(12,867)	(12,867)
Changes in fund balances	(235)	(235)	8	243
Fund balances - beginning	456	456	456	-
Fund balances - ending	\$ 221	221	464	243

Environmental Management Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 144	144	604	460
Licenses and permits	17,927	17,927	20,505	2,578
Intergovernmental	1,721	1,721	1,947	226
Charges for sales and services	775	775	967	192
Miscellaneous	980	980	1,044	64
Total revenues	21,547	21,547	25,067	3,520
Expenditures:				
Current				
Health and sanitation	22,338	22,388	21,757	631
Debt service				
Principal	713	713	713	-
Interest and fiscal charges	134	134	134	-
Total expenditures	23,185	23,235	22,604	631
Excess (deficiency) of revenues over (under) expenditures	(1,638)	(1,688)	2,463	4,151
Other financing sources (uses):				
Transfers in	325	325	325	-
Transfers out	(1,091)	(1,091)	(1,091)	-
Total other financing sources (uses)	(766)	(766)	(766)	-
Changes in fund balances	(2,404)	(2,454)	1,697	4,151
Fund balances - beginning	12,781	12,781	12,781	-
Fund balances - ending	\$ 10,377	10,327	14,478	4,151

Jail Industry Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 14	14	17	3
Use of money and property	1	1	17	16
Charges for sales and services	214	214	253	39
Miscellaneous	51	51	-	(51)
Total revenues	280	280	287	7
Expenditures:				
Current				
Public protection	287	383	278	105
Changes in fund balances	(7)	(103)	9	112
Fund balances - beginning	338	338	338	-
Fund balances - ending	\$ 331	235	347	112

Sacramento County Groundwater Sustainability Agency Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	1	1
Charges for sales and services	55	55	55	-
Total revenues	55	55	56	1
Expenditures:				
Current				
Health and sanitation	55	58	53	5
Changes in fund balances	-	(3)	3	6
Fund balances - beginning	2	2	2	-
Fund balances - ending	\$ 2	(1)	5	6

Metro Air Park EIFD Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ -	\$ 1,210	1,822	612
Use of money and property	-	-	64	64
Intergovernmental	1,200	366	7	(359)
Total revenues	1,200	1,576	1,893	317
Expenditures:				
Capital outlay	1,200	1,730	1,674	56
Changes in fund balances	-	(154)	219	373
Fund balances - beginning	173	173	173	-
Fund balances - ending	\$ 173	\$ 19	392	373

Other Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 4,178	4,666	4,599	(67)
Use of money and property	62	74	323	249
Licenses and permits	5,562	5,562	5,141	(421)
Intergovernmental	2,495	2,495	2,546	51
Charges for sales and services	62	62	225	163
Fines, forfeitures and penalties	9	9	9	-
Miscellaneous	1,788	1,788	1,364	(424)
Total revenues	14,156	14,656	14,207	(449)
Expenditures:				
Current				
General government	603	599	243	356
Public protection	10,391	13,245	10,830	2,415
Health and sanitation	4,552	4,485	3,899	586
Public ways and facilities	821	840	-	840
Recreation and culture	10	10	8	2
Total expenditures	16,377	19,179	14,980	4,199
Changes in fund balances	(2,221)	(4,523)	(773)	3,750
Fund balances - beginning	5,126	5,126	5,126	-
Fund balances - ending	\$ 2,905	603	4,353	3,750



Debt Service Funds





This page intentionally left blank.

DEBT SERVICE FUNDS

Public Facilities Financing Corporation - Services the debt associated with the Public Facilities Financing Corporation's Juvenile Courthouse, the 2018 and 2020 Public Facilities Financing funds.

Pension Obligation Bonds - Services the debt related to Pension Obligation Bonds issued to pay off the unfunded pension liability the County owed the Sacramento County Employees' Retirement System.

Teeter Plan - Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the "Teeter Plan."

Tobacco Securitization Authority of Northern California - Established in FY 2001-02 to account for the principal and interest payments on the Authority's Tobacco Settlement Revenue Bonds and the receipt of funds from the General Fund necessary to meet annual debt service requirements.

Sacramento County Public Financing Authority - Established in FY 2003-04 to service debt associated with housing and redevelopment projects throughout Sacramento County.

Nonmajor Governmental Funds - Debt Service Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporations			
	Juvenile Courtthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds
Assets:				
Cash and investments	\$ 2,614	582	3,140	2,236
Receivables, net of allowance for uncollectibles:				
Interest	118	54	20	298
Loan receivable from County Successor Agency	-	-	-	-
Loan receivable from City Successor Agency	-	-	-	-
Long-term receivables, other	-	-	-	-
Total assets	\$ 2,732	636	3,160	2,534
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accrued liabilities	\$ -	-	-	21
Total liabilities	-	-	-	21
Deferred inflows of resources:				
Deferred inflows relating to unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	2,732	636	3,160	2,513
Total fund balances	2,732	636	3,160	2,513
Total liabilities, deferred inflows of resources and fund balances	\$ 2,732	636	3,160	2,534

Nonmajor Governmental Funds - Debt Service Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 2 of 2

	Teeter Plan	Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
Assets:				
Cash and investments	\$ 3,787	12,748	6,621	31,728
Receivables, net of allowance for uncollectibles:				
Interest	14	-	-	504
Loan receivable from County Successor Agency	-	-	46,620	46,620
Loan receivable from City Successor Agency	-	-	3,086	3,086
Long-term receivables, other	34,035	-	-	34,035
Total assets	<u>\$ 37,836</u>	<u>12,748</u>	<u>56,327</u>	<u>115,973</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accrued liabilities	\$ -	-	-	21
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>
Deferred inflows of resources:				
Deferred inflows relating to unavailable revenues	-	-	49,706	49,706
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>49,706</u>	<u>49,706</u>
Fund balances:				
Restricted	37,836	12,748	6,621	66,246
Total fund balances	<u>37,836</u>	<u>12,748</u>	<u>6,621</u>	<u>66,246</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,836</u>	<u>12,748</u>	<u>56,327</u>	<u>115,973</u>

Nonmajor Governmental Funds - Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporations			
	Juvenile Courtthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds
Revenues:				
Use of money and property	\$ 219	154	205	507
Intergovernmental	-	-	-	15,022
Fines, forfeitures and penalties	-	-	-	-
Total revenues	219	154	205	15,529
Expenditures:				
Debt service				
Principal	1,355	7,070	2,840	124,665
Interest and fiscal charges	1,032	2,798	1,125	25,083
Total expenditures	2,387	9,868	3,965	149,748
Excess (deficiency) of revenues over (under) expenditures	(2,168)	(9,714)	(3,760)	(134,219)
Other financing sources (uses):				
Transfers in	2,249	9,802	3,842	134,338
Transfers out	-	-	-	(298)
Issuance of long-term debt	-	-	-	-
Total other financing sources (uses)	2,249	9,802	3,842	134,040
Changes in fund balances	81	88	82	(179)
Fund balances - beginning	2,651	548	3,078	2,692
Fund balances - ending	\$ 2,732	636	3,160	2,513

Nonmajor Governmental Funds - Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 2 of 2

	Teeter Plan	Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
Revenues:				
Use of money and property	\$ 54	599	-	1,738
Intergovernmental	-	-	6,106	21,128
Fines, forfeitures and penalties	14,464	-	-	14,464
Total revenues	14,518	599	6,106	37,330
Expenditures:				
Debt service				
Principal	27,914	8,075	3,210	175,129
Interest and fiscal charges	1,319	5,539	2,820	39,716
Total expenditures	29,233	13,614	6,030	214,845
Excess (deficiency) of revenues over (under) expenditures	(14,715)	(13,015)	76	(177,515)
Other financing sources (uses):				
Transfers in	-	12,867	-	163,098
Transfers out	(12,950)	-	-	(13,248)
Issuance of long-term debt	33,914	-	-	33,914
Total other financing sources (uses)	20,964	12,867	-	183,764
Changes in fund balances	6,249	(148)	76	6,249
Fund balances - beginning	31,587	12,896	6,545	59,997
Fund balances - ending	\$ 37,836	12,748	6,621	66,246

**Public Facilities Financing Corporations
Juvenile Courthouse Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	219	219
Expenditures:				
Debt service				
Principal	1,355	1,355	1,355	-
Interest and fiscal charges	1,176	1,273	1,032	241
Total expenditures	2,531	2,628	2,387	241
Excess (deficiency) of revenues over (under) expenditures	(2,531)	(2,628)	(2,168)	460
Other financing sources (uses):				
Transfers in	2,249	2,249	2,249	-
Changes in fund balances	(282)	(379)	81	460
Fund balances - beginning	2,651	2,651	2,651	-
Fund balances - ending	\$ 2,369	2,272	2,732	460

Public Facilities Financing Corporations
2018 Public Facilities Refunding Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	154	154
Expenditures:				
Debt service				
Principal	7,070	7,070	7,070	-
Interest and fiscal charges	3,190	3,279	2,798	481
Total expenditures	10,260	10,349	9,868	481
Excess (deficiency) of revenues over (under) expenditures	(10,260)	(10,349)	(9,714)	635
Other financing sources (uses):				
Transfers in	9,802	9,802	9,802	-
Changes in fund balances	(458)	(547)	88	635
Fund balances - beginning	548	548	548	-
Fund balances - ending	\$ 90	1	636	635

Public Facilities Financing Corporations
2020 Public Facilities Refunding Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	205	205
Expenditures:				
Debt service				
Principal	2,840	2,840	2,840	-
Interest and fiscal charges	1,297	1,372	1,125	247
Total expenditures	4,137	4,212	3,965	247
Excess (deficiency) of revenues over (under) expenditures	(4,137)	(4,212)	(3,760)	452
Other financing sources (uses):				
Transfers in	3,842	3,842	3,842	-
Changes in fund balances	(295)	(370)	82	452
Fund balances - beginning	3,078	3,078	3,078	-
Fund balances - ending	\$ 2,783	2,708	3,160	452

Pension Obligation Bonds Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ (224)	(224)	507	731
Intergovernmental	15,022	15,022	15,022	-
Total revenues	14,798	14,798	15,529	731
Expenditures:				
Debt service				
Principal	124,665	124,665	124,665	-
Interest and fiscal charges	26,087	26,864	25,083	1,781
Total expenditures	150,752	151,529	149,748	1,781
Excess (deficiency) of revenues over (under) expenditures	(135,954)	(136,731)	(134,219)	2,512
Other financing sources (uses):				
Transfers in	134,338	134,338	134,338	-
Transfers out	(298)	(298)	(298)	-
Total other financing sources (uses)	134,040	134,040	134,040	-
Changes in fund balances	(1,914)	(2,691)	(179)	2,512
Fund balances - beginning	2,692	2,692	2,692	-
Fund balances - ending	\$ 778	1	2,513	2,512

Teeter Plan Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ -	-	54	54
Fines, forfeitures and penalties	-	-	14,464	14,464
Miscellaneous	40,116	45,779	-	(45,779)
Total revenues	40,116	45,779	14,518	(31,261)
Expenditures:				
Debt service				
Principal	28,503	34,231	27,914	6,317
Interest and fiscal charges	2,151	2,151	1,319	832
Total expenditures	30,654	36,382	29,233	7,149
Excess (deficiency) of revenues over (under) expenditures	9,462	9,397	(14,715)	(24,112)
Other financing sources (uses):				
Transfers out	(12,950)	(12,950)	(12,950)	-
Issuance of long-term debt	-	-	33,914	33,914
Total other financing sources (uses)	(12,950)	(12,950)	20,964	33,914
Changes in fund balances	(3,488)	(3,553)	6,249	9,802
Fund balances - beginning	31,587	31,587	31,587	-
Fund balances - ending	\$ 28,099	28,034	37,836	9,802



Capital Projects Funds





This page intentionally left blank.

CAPITAL PROJECTS FUNDS

Improvement Bond Act of 1911 - Accounts for construction activity in various special assessment districts where monies have been received under the 1911 Improvement Bond Act from special assessment district property owners.

Improvement Bond Act of 1915 - Accounts for construction activity in various special assessment districts where monies have been received under the 1915 Improvement Bond Act from special assessment district property owners.

Metro Air Park Community Facilities District (CFD) - Accounts for construction activity in the Metro Air Park CFD.

Laguna Stonelake Community Facilities District (CFD) - Accounts for construction activity in the Laguna Stonelake CFD.

Park Meadows Community Facilities District (CFD) - Accounts for construction activity in the Park Meadows CFD.

Laguna Community Facilities District (CFD) - Accounts for construction activity in the Laguna CFD.

Laguna Creek Ranch/Elliott Ranch Community Facilities District (CFD) - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch CFD.

Accumulated Capital Outlay - Accounts for general capital outlay expenditures of the County.

Community Fee Districts - Established by property owners to account for construction of public projects financed by various developer fees and other miscellaneous revenues.

McClellan Park Community Facilities District (CFD) No. 2004-1 - Accounts for infrastructure construction activity in the McClellan CFD.

Sacramento County Landscape Maintenance Community Facilities District (CFD) No. 2004-2 - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance CFD.

Metro Air Park Services Tax - Accounts for landscape maintenance activity within the Metro Air Park CFD.

Florin Vineyard Community Facilities District (CFD) No. 1 - Accounts for public road improvements in the Florin Vineyard area of the County that are funded by development impact fees.

North Vineyard Station Community Facilities District (CFD) - Accounts for public road improvements in the North Vineyard area of the County that are funded by development impact fees.

County Parks Community Facilities District (CFD) No. 2006-1 - Accounts for construction and maintenance of parks, trails, and open space in the Southeast County area.

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 1 of 3

	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD
Assets:					
Cash and investments	\$ 264	3,730	37,596	311	157
Receivables, net of allowance for uncollectibles:					
Billed	-	-	4,960	-	-
Interest	5	76	352	7	5
Intergovernmental	-	-	-	-	-
Long-term receivables, other	-	-	-	-	-
Total assets	\$ 269	3,806	42,908	318	162
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ -	-	-	-	-
Accrued liabilities	-	-	-	-	-
Intergovernmental payable	56	2,761	24	-	-
Total liabilities	56	2,761	24	-	-
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	213	1,045	42,884	318	162
Total fund balances	213	1,045	42,884	318	162
Total liabilities, deferred inflows of resources and fund balances	\$ 269	3,806	42,908	318	162

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 2 of 3

	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD	Accumulated Capital Outlay	Community Fee Districts	McClellan Park CFD No.2004-1
Assets:					
Cash and investments	\$ 281	4,836	102,518	46,525	773
Receivables, net of allowance for uncollectibles:					
Billed	-	-	1,970	-	-
Interest	7	103	2,089	890	17
Intergovernmental	-	-	272	21	-
Long-term receivables, other	-	-	-	576	-
Total assets	\$ 288	4,939	106,849	48,012	790
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$ -	-	3,715	3	-
Accrued liabilities	-	-	6,221	-	-
Intergovernmental payable	-	2	-	1,511	-
Total liabilities	-	2	9,936	1,514	-
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	-	-	-	576	-
Total deferred inflows of resources	-	-	-	576	-
Fund balances:					
Restricted	288	4,937	96,913	45,922	790
Total fund balances	288	4,937	96,913	45,922	790
Total liabilities, deferred inflows of resources and fund balances	\$ 288	4,939	106,849	48,012	790

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2025
(amounts expressed in thousands)

Page 3 of 3

	Sacramento County Landscape Maintenance CFD No.2004-2	Metro Air Park Services Tax	Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	Total
Assets:						
Cash and investments	\$ 548	32,609	755	11,107	64	242,074
Receivables, net of allowance for uncollectibles:						
Billed	6	-	-	-	-	6,936
Interest	10	727	15	3,795	2	8,100
Intergovernmental	-	-	-	-	-	293
Long-term receivables, other	-	2,389	-	-	-	2,965
Total assets	\$ 564	35,725	770	14,902	66	260,368
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Warrants payable	\$ 18	-	-	-	-	3,736
Accrued liabilities	1	4,667	-	-	-	10,889
Intergovernmental payable	-	-	-	6,404	11	10,769
Total liabilities	19	4,667	-	6,404	11	25,394
Deferred inflows of resources:						
Deferred inflows relating to unavailable revenues	-	2,389	-	-	-	2,965
Total deferred inflows of resources	-	2,389	-	-	-	2,965
Fund balances:						
Restricted	545	28,669	770	8,498	55	232,009
Total fund balances	545	28,669	770	8,498	55	232,009
Total liabilities, deferred inflows of resources and fund balances	\$ 564	35,725	770	14,902	66	260,368

Nonmajor Governmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 1 of 3

	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD
Revenues:					
Taxes	\$ -	-	2,745	147	76
Use of money and property	7	175	1,239	17	12
Intergovernmental	-	-	-	-	-
Charges for sales and services	-	-	25	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Miscellaneous	-	-	3,491	-	-
Total revenues	7	175	7,500	164	88
Expenditures:					
Current					
Recreation and culture	-	-	-	-	-
Capital outlay	-	2,744	4,113	117	62
Total expenditures	-	2,744	4,113	117	62
Excess (deficiency) of revenues over (under) expenditures	7	(2,569)	3,387	47	26
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Changes in fund balances	7	(2,569)	3,387	47	26
Fund balances - beginning	206	3,614	39,497	271	136
Fund balances - ending	\$ 213	1,045	42,884	318	162

Nonmajor Governmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 2 of 3

	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD	Accumulated Capital Outlay	Community Fee Districts	McClellan Park CFD No.2004-1
Revenues:					
Taxes	\$ -	-	-	-	165
Use of money and property	14	239	4,898	2,056	15
Intergovernmental	-	-	26,398	10	-
Charges for sales and services	-	-	28,235	11,719	-
Fines, forfeitures and penalties	-	-	1,716	-	-
Miscellaneous	-	-	195	-	-
Total revenues	14	239	61,442	13,785	180
Expenditures:					
Current					
Recreation and culture	-	-	-	26	-
Capital outlay	23	299	61,075	1,492	109
Total expenditures	23	299	61,075	1,518	109
Excess (deficiency) of revenues over (under) expenditures	(9)	(60)	367	12,267	71
Other financing sources (uses):					
Transfers in	-	-	1,394	-	-
Transfers out	-	-	(281)	-	-
Total other financing sources (uses)	-	-	1,113	-	-
Changes in fund balances	(9)	(60)	1,480	12,267	71
Fund balances - beginning	297	4,997	95,433	33,655	719
Fund balances - ending	\$ 288	4,937	96,913	45,922	790

Nonmajor Governmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
for the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 3 of 3

	Sacramento County Landscape Maintenance CFD No.2004-2	Metro Air Park Services Tax	Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	Total
Revenues:						
Taxes	\$ -	204	88	1,011	-	4,436
Use of money and property	21	1,719	36	22	3	10,473
Intergovernmental	-	-	-	-	-	26,408
Charges for sales and services	455	1,274	-	-	22	41,730
Fines, forfeitures and penalties	-	-	-	-	-	1,716
Miscellaneous	-	-	-	-	-	3,686
Total revenues	476	3,197	124	1,033	25	88,449
Expenditures:						
Current						
Recreation and culture	-	-	-	-	-	26
Capital outlay	403	15,079	36	1,385	15	86,952
Total expenditures	403	15,079	36	1,385	15	86,978
Excess (deficiency) of revenues over (under) expenditures	73	(11,882)	88	(352)	10	1,471
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,394
Transfers out	(17)	-	-	-	-	(298)
Total other financing sources (uses)	(17)	-	-	-	-	1,096
Changes in fund balances	56	(11,882)	88	(352)	10	2,567
Fund balances - beginning	489	40,551	682	8,850	45	229,442
Fund balances - ending	\$ 545	28,669	770	8,498	55	232,009

Improvement Bond Act of 1915 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 65	222	175	(47)
Charges for sales and services	-	2,817	-	(2,817)
Miscellaneous	2,752	4	-	(4)
Total revenues	2,817	3,043	175	(2,868)
Expenditures:				
Capital outlay	3,580	3,912	2,744	1,168
Changes in fund balances	(763)	(869)	(2,569)	(1,700)
Fund balances - beginning	3,614	3,614	3,614	-
Fund balances - ending	\$ 2,851	2,745	1,045	(1,700)

Metro Air Park CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 1,984	1,984	2,745	761
Use of money and property	50	55	1,239	1,184
Charges for sales and services	-	-	25	25
Miscellaneous	1,800	1,800	3,491	1,691
Total revenues	3,834	3,839	7,500	3,661
Expenditures:				
Capital outlay	27,846	36,769	4,113	32,656
Changes in fund balances	(24,012)	(32,930)	3,387	36,317
Fund balances - beginning	39,497	39,497	39,497	-
Fund balances - ending	\$ 15,485	6,567	42,884	36,317

Laguna Stonelake CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 120	120	147	27
Use of money and property	5	5	17	12
Total revenues	125	125	164	39
Expenditures:				
Capital outlay	371	379	117	262
Changes in fund balances	(246)	(254)	47	301
Fund balances - beginning	271	271	271	-
Fund balances - ending	\$ 25	17	318	301

Park Meadows CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 75	75	76	1
Use of money and property	2	2	12	10
Total revenues	77	77	88	11
Expenditures:				
Capital outlay	200	200	62	138
Changes in fund balances	(123)	(123)	26	149
Fund balances - beginning	136	136	136	-
Fund balances - ending	\$ 13	13	162	149

Laguna CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 3	3	14	11
Expenditures:				
Capital outlay	293	300	23	277
Changes in fund balances	(290)	(297)	(9)	288
Fund balances - beginning	297	297	297	-
Fund balances - ending	<u>\$ 7</u>	<u>-</u>	<u>288</u>	<u>288</u>

Laguna Creek Ranch/Elliott Ranch CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 18	18	239	221
Expenditures:				
Capital outlay	5,325	5,477	299	5,178
Changes in fund balances	(5,307)	(5,459)	(60)	5,399
Fund balances - beginning	4,997	4,997	4,997	-
Fund balances - ending	<u>\$ (310)</u>	<u>(462)</u>	<u>4,937</u>	<u>5,399</u>

Accumulated Capital Outlay Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 194	608	4,898	4,290
Intergovernmental	39,422	60,332	26,398	(33,934)
Charges for sales and services	49,027	36,571	28,235	(8,336)
Fines, forfeitures and penalties	1,650	1,650	1,716	66
Miscellaneous	-	-	195	195
Total revenues	90,293	99,161	61,442	(37,719)
Expenditures:				
Capital outlay	160,064	196,608	61,075	135,533
Excess (deficiency) of revenues over (under) expenditures	(69,771)	(97,447)	367	97,814
Other financing sources (uses):				
Transfers in	1,394	1,394	1,394	-
Transfers out	(281)	(281)	(281)	-
Total other financing sources (uses)	1,113	1,113	1,113	-
Changes in fund balances	(68,658)	(96,334)	1,480	97,814
Fund balances - beginning	95,433	95,433	95,433	-
Fund balances - ending	\$ 26,775	(901)	96,913	97,814

Community Fee Districts Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 157	157	2,056	1,899
Intergovernmental	3,771	3,938	10	(3,928)
Charges for sales and services	650	650	11,719	11,069
Total revenues	4,578	4,745	13,785	9,040
Expenditures:				
Current				
Recreation and culture	84	123	26	97
Capital outlay	34,531	38,274	1,492	36,782
Total expenditures	34,615	38,397	1,518	36,879
Changes in fund balances	(30,037)	(33,652)	12,267	45,919
Fund balances - beginning	33,655	33,655	33,655	-
Fund balances - ending	\$ 3,618	3	45,922	45,919

McClellan Park CFD No.2004-1 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 148	148	165	17
Use of money and property	15	15	15	-
Total revenues	163	163	180	17
Expenditures:				
Capital outlay	974	973	109	864
Changes in fund balances	(811)	(810)	71	881
Fund balances - beginning	719	719	719	-
Fund balances - ending	\$ (92)	(91)	790	881

Sacramento County Landscape Maintenance CFD No.2004-2
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Use of money and property	\$ 12	12	21	9
Charges for sales and services	432	432	455	23
Total revenues	444	444	476	32
Expenditures:				
Capital outlay	493	493	403	90
Excess (deficiency) of revenues over (under) expenditures	(49)	(49)	73	122
Other financing sources (uses):				
Transfers out	(17)	(17)	(17)	-
Changes in fund balances	(66)	(66)	56	122
Fund balances - beginning	489	489	489	-
Fund balances - ending	\$ 423	423	545	122

Metro Air Park Services Tax Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 220	220	204	(16)
Use of money and property	209	209	1,719	1,510
Charges for sales and services	200	200	1,274	1,074
Total revenues	629	629	3,197	2,568
Expenditures:				
Capital outlay	36,429	41,177	15,079	26,098
Changes in fund balances	(35,800)	(40,548)	(11,882)	28,666
Fund balances - beginning	40,551	40,551	40,551	-
Fund balances - ending	\$ 4,751	3	28,669	28,666

Florin Vineyard CFD No. 1 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 79	79	88	9
Use of money and property	5	5	36	31
Total revenues	84	84	124	40
Expenditures:				
Capital outlay	717	726	36	690
Changes in fund balances	(633)	(642)	88	730
Fund balances - beginning	682	682	682	-
Fund balances - ending	\$ 49	40	770	730

North Vineyard Station CFD Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 814	814	1,011	197
Use of money and property	105	105	22	(83)
Total revenues	919	919	1,033	114
Expenditures:				
Capital outlay	6,004	6,055	1,385	4,670
Changes in fund balances	(5,085)	(5,136)	(352)	4,784
Fund balances - beginning	8,850	8,850	8,850	-
Fund balances - ending	\$ 3,765	3,714	8,498	4,784

County Parks CFD No. 2006-1 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ -	-	3	3
Charges for sales and services	22	22	22	-
Total revenues	<u>22</u>	<u>22</u>	<u>25</u>	<u>3</u>
Expenditures:				
Capital outlay	<u>17</u>	<u>17</u>	<u>15</u>	<u>2</u>
Changes in fund balances	5	5	10	5
Fund balances - beginning	<u>45</u>	<u>45</u>	<u>45</u>	<u>-</u>
Fund balances - ending	<u>\$ 50</u>	<u>50</u>	<u>55</u>	<u>5</u>



This page intentionally left blank.



Nonmajor Enterprise Funds





This page intentionally left blank.



NONMAJOR ENTERPRISE FUNDS

Parking Enterprise - Accounts for all downtown parking facilities that generate revenues from user fees from both public and County employees.

County Transit - Accounts for the operations of the South County Transit program.

Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 8,216	2,484	10,700
Receivables, net of allowance for uncollectibles:			
Billed	-	222	222
Interest	168	49	217
Intergovernmental	-	2,916	2,916
Total current assets	<u>8,384</u>	<u>5,671</u>	<u>14,055</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299	-	1,299
Buildings and improvements, infrastructure, equipment and intangibles, net	340	306	646
Total capital assets	<u>1,639</u>	<u>306</u>	<u>1,945</u>
Total noncurrent assets	<u>1,639</u>	<u>306</u>	<u>1,945</u>
Total assets	<u>10,023</u>	<u>5,977</u>	<u>16,000</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	114	-	114
Deferred outflows related to OPEB	6	-	6
Total deferred outflows of resources	<u>120</u>	<u>-</u>	<u>120</u>
Total assets and deferred outflows of resources	<u>\$ 10,143</u>	<u>5,977</u>	<u>16,120</u>

**Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2025
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$ -	455	455
Accrued liabilities	20	-	20
Intergovernmental payable	14	-	14
Current portion of long-term debt obligations	136	-	136
Total current liabilities	170	455	625
Noncurrent liabilities:			
Long-term debt obligations	42	-	42
Net pension liability	204	-	204
Total OPEB liability	46	-	46
Total noncurrent liabilities	292	-	292
Total liabilities	462	455	917
Deferred inflows of resources:			
Deferred inflows related to pensions	43	-	43
Deferred inflows related to OPEB	24	-	24
Total deferred inflows of resources	67	-	67
Total liabilities and deferred inflows of resources	529	455	984
Net position:			
Net investment in capital assets	1,569	306	1,875
Restricted for:			
Capital projects	-	2,531	2,531
Transportation	-	2,685	2,685
Unrestricted	8,045	-	8,045
Total net position	\$ 9,614	5,522	15,136

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,461	135	2,596
Total operating revenues	2,461	135	2,596
Operating expenses:			
Salaries and benefits	393	-	393
Services and supplies	1,829	319	2,148
Cost of sales and services	-	1,643	1,643
Depreciation and amortization	153	284	437
Other	213	-	213
Total operating expenses	2,588	2,246	4,834
Operating income (loss)	(127)	(2,111)	(2,238)
Nonoperating revenues (expenses):			
Use of money and property	387	97	484
Intergovernmental	-	3,048	3,048
Interest expense	(3)	-	(3)
Other revenues (expenses), net	-	4	4
Total nonoperating revenue (expenses), net	384	3,149	3,533
Income (loss) before transfers and capital contributions	257	1,038	1,295
Transfers out	(26)	-	(26)
Capital contributions	-	358	358
Changes in net position	231	1,396	1,627
Net position(deficit), beginning of year	9,449	4,126	13,575
Restatements	(66)	-	(66)
Net position(deficit), beginning of year, restated	9,383	4,126	13,509
Net position(deficit), end of year	\$ 9,614	5,522	15,136

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,461	(63)	2,398
Payments to suppliers	(1,828)	(2,000)	(3,828)
Payments to employees	(430)	-	(430)
Payments for other operating activities	(213)	-	(213)
Net cash used for operating activities	(10)	(2,063)	(2,073)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(26)	-	(26)
Intergovernmental revenue	-	2,540	2,540
Net cash provided by (used for) noncapital financing activities	(26)	2,540	2,514
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	-	(252)	(252)
Principal paid on long-term obligations	(69)	-	(69)
Interest paid on long-term obligations	(3)	-	(3)
Net cash used for capital and related financing activities	(72)	(252)	(324)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received and fair value adjustment on cash and investments	411	96	507
Net cash provided by investing activities	411	96	507
Net increase (decrease) in cash and cash equivalents	303	321	624
Cash and cash equivalents, beginning of year	7,913	2,163	10,076
Cash and cash equivalents, end of year	\$ 8,216	2,484	10,700
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (127)	(2,111)	(2,238)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	153	284	437
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Receivables:			
Billed	-	(198)	(198)
Warrants payable	-	(5)	(5)
Accrued liabilities	(1)	-	(1)
Intergovernmental payable	-	(33)	(33)
Compensated absences	1	-	1
Net pension liability and related deferred outflows and inflows	(33)	-	(33)
Total OPEB liability and related deferred outflows and inflows	(3)	-	(3)
Total adjustments	117	48	165
Net cash used for operating activities	\$ (10)	(2,063)	(2,073)



This page intentionally left blank.



Internal Service Funds





This page intentionally left blank.

INTERNAL SERVICE FUNDS

General Services - Created to provide many of the essential centralized support services that County departments require ensuring that their daily operations can be accomplished and their missions achieved. These activities include Administrative and Business Services, Construction Management and Inspection Division, Contract and Purchasing Services, Facility and Property Services, Real Estate and Fleet Services.

Liability Self-Insurance - Accounts for the County's program of self-insurance for liability claims.

Workers' Compensation Self-Insurance - Accounts for the County's self-insurance for all workers' compensation claims.

Other Self-Insurance - Accounts for the County's self-insurance for all dental and unemployment claims.

Regional Radio Communications System - Accounts for the operations of the County's emergency response communications and other public safety activities.

Department of Technology - Accounts for central information technology and telecommunication support to County departments.

Internal Service Funds
Combining Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

Page 1 of 2

	General Services	Self-Insurance Liability	Workers' Compensation	Other	Regional Radio Communications System	Department of Technology	Total
Assets:							
Current assets:							
Cash and investments	\$ 145,659	52,418	149,259	19,743	11,259	51,185	429,523
Receivables, net of allowance for uncollectibles:							
Billed	3	-	-	-	-	-	3
Interest	27	-	-	-	244	-	271
Intergovernmental	180	-	-	-	-	-	180
Leases	65	-	-	-	31	-	96
Prepaid items	-	-	-	-	-	738	738
Inventories	2,707	-	-	-	-	-	2,707
Total current assets	148,641	52,418	149,259	19,743	11,534	51,923	433,518
Noncurrent assets:							
Prepaid items	61	-	-	-	-	-	61
Long-term receivables, other	-	-	118	-	-	-	118
Long-term receivable, leases	-	-	-	-	195	-	195
Capital assets:							
Buildings and improvements, infrastructure, equipment and intangibles, net	46,261	-	-	-	12,669	31,688	90,618
Total capital assets	46,261	-	-	-	12,669	31,688	90,618
Total noncurrent assets	46,322	-	118	-	12,864	31,688	90,992
Total assets	194,963	52,418	149,377	19,743	24,398	83,611	524,510
Deferred outflows of resources:							
Deferred outflows related to pensions	13,966	-	-	-	351	16,547	30,864
Deferred outflows related to OPEB	646	-	-	-	11	550	1,207
Total deferred outflows of resources	14,612	-	-	-	362	17,097	32,071
Total assets and deferred outflows of resources	209,575	52,418	149,377	19,743	24,760	100,708	556,581

Internal Service Funds
Combining Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

Page 2 of 2

		Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
Liabilities:							
Current liabilities:							
Warrants payable	\$ 4,230	525	1,097	-	25	491	6,368
Accrued liabilities	8,035	1,256	3	255	68	5,246	14,863
Current portion of insurance claims payable	-	23,046	26,987	1,058	-	-	51,091
Current portion of long-term debt obligations	5,514	-	-	-	181	17,782	23,477
Unearned revenues	-	-	127	-	1,506	6,314	7,947
Total current liabilities	17,779	24,827	28,214	1,313	1,780	29,833	103,746
Noncurrent liabilities:							
Insurance claims payable	-	67,966	175,430	-	-	-	243,396
Long-term debt obligations	3,738	-	-	-	143	16,671	20,552
Net pension liability	30,377	-	-	-	704	36,170	67,251
Total OPEB liability	4,331	-	-	-	83	3,965	8,379
Total noncurrent liabilities	38,446	67,966	175,430	-	930	56,806	339,578
Total liabilities	56,225	92,793	203,644	1,313	2,710	86,639	443,324
Deferred inflows of resources:							
Deferred inflows related to pensions	2,474	-	-	-	155	3,643	6,272
Deferred inflows related to OPEB	1,429	-	-	-	30	1,305	2,764
Deferred inflows related to leases	63	-	-	-	231	-	294
Total deferred inflows of resources	3,966	-	-	-	416	4,948	9,330
Total liabilities and deferred inflows of resources	60,191	92,793	203,644	1,313	3,126	91,587	452,654
Net position:							
Net investment in capital assets	46,261	-	-	-	12,669	12,512	71,442
Unrestricted	103,123	(40,375)	(54,267)	18,430	8,965	(3,391)	32,485
Total net position	\$ 149,384	(40,375)	(54,267)	18,430	21,634	9,121	103,927

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

		Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
Operating revenues:							
Charges for sales and services	\$ 193,505	48,786	41,979	17,677	6,219	133,691	441,857
Other	3,259	2,916	90	-	262	-	6,527
Total operating revenues	196,764	51,702	42,069	17,677	6,481	133,691	448,384
Operating expenses:							
Salaries and benefits	57,176	-	-	-	1,469	59,205	117,850
Services and supplies	104,956	-	-	-	1,817	43,839	150,612
Cost of sales and services	3,749	-	-	-	-	-	3,749
Depreciation and amortization	13,688	-	-	-	2,120	15,872	31,680
Claim payments and actuarial estimates	-	62,390	32,406	18,597	-	-	113,393
Other	491	250	1,110	34	-	-	1,885
Total operating expenses	180,060	62,640	33,516	18,631	5,406	118,916	419,169
Operating income (loss)	16,704	(10,938)	8,553	(954)	1,075	14,775	29,215
Nonoperating revenues (expenses):							
Use of money and property	841	299	853	112	572	295	2,972
Interest expense	-	-	-	-	(29)	(3)	(32)
Other revenues (expenses), net	1,830	-	-	-	-	-	1,830
Total nonoperating revenue (expenses), net	2,671	299	853	112	543	292	4,770
Income (loss) before transfers and capital contributions	19,375	(10,639)	9,406	(842)	1,618	15,067	33,985
Transfers out	(4,510)	-	-	-	(86)	(7,161)	(11,757)
Changes in net position	14,865	(10,639)	9,406	(842)	1,532	7,906	22,228
Net position(deficit), beginning of year	139,597	(29,736)	(63,673)	19,272	20,235	8,407	94,102
Restatements	(5,078)	-	-	-	(133)	(7,192)	(12,403)
Net position(deficit), beginning of year, restated	134,519	(29,736)	(63,673)	19,272	20,102	1,215	81,699
Net position(deficit), end of year	\$ 149,384	(40,375)	(54,267)	18,430	21,634	9,121	103,927

Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 1 of 2

	General Services	Self-Insurance Liability	Workers' Compensation	Other	Regional Radio Communications System	Department of Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 3,262	-	-	-	-	131,082	134,344
Receipts from interfund services provided	193,397	48,786	41,979	17,677	5,948	-	307,787
Receipts for other operating activities	-	2,916	90	-	-	-	3,006
Payments to suppliers	(100,247)	(44,204)	(25,221)	(17,394)	(1,587)	(35,861)	(224,514)
Payments to employees	(61,143)	-	-	(5)	(1,540)	(62,865)	(125,553)
Payments for other operating activities	(491)	-	-	-	595	3,373	3,477
Payments for interfund services used	(8,898)	(3,826)	(6,818)	(441)	(345)	(8,021)	(28,349)
Net cash provided by (used for) operating activities	25,880	3,672	10,030	(163)	3,071	27,708	70,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers to other funds	(4,510)	-	-	-	(86)	(7,161)	(11,757)
Other nonoperating revenue	1	-	-	-	-	-	1
Net cash used for noncapital financing activities	(4,509)	-	-	-	(86)	(7,161)	(11,756)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(17,047)	-	-	-	(564)	(7,503)	(25,114)
Interest received from Capital Asset Lease	13	-	-	-	-	-	13
Receipts from Leases	-	-	-	-	31	-	31
Principal paid on long-term obligations	-	-	-	-	(1,182)	(10,177)	(11,359)
Interest paid on long-term obligations	-	-	-	-	24	(171)	(147)
Proceeds from the sale of capital assets	1,831	-	-	-	-	-	1,831
Net cash used for capital and related financing activities	(15,203)	-	-	-	(1,691)	(17,851)	(34,745)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received and fair value adjustment on cash and investments	844	299	853	112	571	291	2,970
Net cash provided by investing activities	844	299	853	112	571	291	2,970
Net increase (decrease) in cash and cash equivalents	7,012	3,971	10,883	(51)	1,865	2,987	26,667
Cash and cash equivalents, beginning of year	138,647	48,447	138,376	19,794	9,394	48,198	402,856
Cash and cash equivalents, end of year	\$ 145,659	52,418	149,259	19,743	11,259	51,185	429,523

Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

Page 2 of 2

	General Services	Self-Insurance Workers' Compensation	Other	Regional Radio Communications System	Department of Technology	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating income (loss)	\$ 16,704	(10,938)	8,553	(954)	1,075	14,775	29,215
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation and amortization	13,688	-	-	-	2,120	15,872	31,680
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
Receivables:							
Billed	3	-	-	-	-	-	3
Intergovernmental	(108)	-	-	-	-	-	(108)
Prepaid items	(61)	-	-	-	334	3,544	3,817
Inventories	(188)	-	-	-	-	-	(188)
Warrants payable	(656)	(210)	235	-	9	(321)	(943)
Accrued liabilities	466	(1,144)	1	255	(95)	105	(412)
Intergovernmental payable	-	-	5	-	-	-	5
Unearned revenues	-	-	-	-	(271)	(2,608)	(2,879)
Compensated absences	(60)	-	-	-	28	252	220
Insurance claims payable	-	15,964	1,236	536	-	-	17,736
Net pension liability and related deferred outflows and inflows	(3,433)	-	-	-	(128)	(3,743)	(7,304)
Net leases liability and related deferred outflows and inflows	-	-	-	-	(29)	-	(29)
Total OPEB liability and related deferred outflows and inflows	(475)	-	-	-	28	(168)	(615)
Total adjustments	9,176	14,610	1,477	791	1,996	12,933	40,983
Net cash provided by (used for) operating activities	\$ 25,880	3,672	10,030	(163)	3,071	27,708	70,198
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							



Custodial Funds





This page intentionally left blank.

CUSTODIAL FUNDS

Law Enforcement - Accounts for law enforcement revenues collected pending disbursement, reimbursement or apportionment to the appropriate external law enforcement and policing agencies.

Unapportioned Tax Collection - Accounts for property taxes received but not yet apportioned by the County to other taxing agencies.

Other - Accounts for other custodial funds where the County holds money in a custodial capacity.

Public Guardian used to account for monies that belong to individuals who are unable to care for themselves.

Community Facility Districts (CFD) debt service funds used to account for funds received from property owners within the CFD and pay debt service.

Park Dedication fee funds used to account for the collection of park dedication fees for independent park districts.

School District General Obligation Bond funds used to account for collection of payment of monies to fund the debt service of general obligations bond for various school districts.

Other - Various funds held in fiduciary capacity for other entities.

Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2025
(amounts expressed in thousands)

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 25,344	17,741	244,747	287,832
Receivables, net of allowance for uncollectibles:				
Billed	127	-	1,082	1,209
Interest	187	10,201	155,320	165,708
Prepaid items	-	-	1,665	1,665
Long-term receivables, other	-	-	234	234
Total assets	<u>25,658</u>	<u>27,942</u>	<u>403,048</u>	<u>456,648</u>
Liabilities:				
Warrants payable	273	10,625	4,969	15,867
Accrued liabilities	1,026	229	160,263	161,518
Total liabilities	<u>1,299</u>	<u>10,854</u>	<u>165,232</u>	<u>177,385</u>
Net position (deficit) restricted for:				
Individuals, organizations and other governments	24,359	17,088	237,816	279,263
Total net position (deficit)	<u>\$ 24,359</u>	<u>17,088</u>	<u>237,816</u>	<u>279,263</u>

Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2025
(amounts expressed in thousands)

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Additions:				
Property taxes	\$ -	3,353,607	-	3,353,607
Contributions on pooled investments	170,842	-	2,059,442	2,230,284
Investment income (loss), net	506	19,991	7,291	27,788
Total additions	171,348	3,373,598	2,066,733	5,611,679
Deductions:				
Distributions to taxing entities	-	3,367,112	-	3,367,112
Distributions from pooled investments	167,636	-	2,206,960	2,374,596
Administrative expenses	376	5,908	5,809	12,093
Total deductions	168,012	3,373,020	2,212,769	5,753,801
Changes in net position	3,336	578	(146,036)	(142,122)
Net position (deficit), beginning of year	21,023	16,510	383,852	421,385
Net position (deficit), end of year	\$ 24,359	17,088	237,816	279,263



This page intentionally left blank.

STATISTICAL SECTION



This page intentionally left blank.

This part of the Sacramento County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the County's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being has changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue source, property and sales tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources - Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year(s).

Net Position by Component
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental activities					
Net investment in capital assets	\$ 1,370,462	1,383,387	1,416,649	1,415,121	1,429,186
Restricted	496,622	639,813	677,982	679,546	609,131
Unrestricted	(2,164,382)	(2,351,925)	(2,531,677)	(2,579,412)	(2,485,842)
Total governmental activities net position	<u>\$ (297,298)</u>	<u>(328,725)</u>	<u>(437,046)</u>	<u>(484,745)</u>	<u>(447,525)</u>
Business-type activities					
Net investment in capital assets	\$ 916,597	943,226	957,979	1,001,266	1,123,159
Restricted	116,658	116,219	106,816	130,601	95,800
Unrestricted	240,042	246,510	272,450	277,200	261,720
Total business-type activities net position	<u>\$ 1,273,297</u>	<u>1,305,955</u>	<u>1,337,245</u>	<u>1,409,067</u>	<u>1,480,679</u>
Primary government					
Net investment in capital assets	\$ 2,287,059	2,326,613	2,374,628	2,416,387	2,552,345
Restricted	613,280	756,032	784,798	810,147	704,931
Unrestricted	(1,924,340)	(2,105,415)	(2,259,227)	(2,302,212)	(2,224,122)
Total primary government net position	<u>\$ 975,999</u>	<u>977,230</u>	<u>900,199</u>	<u>924,322</u>	<u>1,033,154</u>

Note: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted when a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Net Position by Component
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 2 of 2

	2020-21	2021-22	2022-23	2023-24	2024-25
Governmental activities					
Net investment in capital assets	\$ 1,473,398	1,513,277	1,536,121	1,573,696	1,651,940
Restricted	662,416	826,031	995,823	1,057,624	1,070,100
Unrestricted	(2,454,016)	(1,979,787)	(1,674,686)	(1,455,093)	(1,411,583)
Total governmental activities net position	<u>\$ (318,202)</u>	<u>359,521</u>	<u>857,258</u>	<u>1,176,227</u>	<u>1,310,457</u>
Business-type activities					
Net investment in capital assets	\$ 1,149,300	1,177,876	1,220,490	1,283,253	1,331,676
Restricted	98,434	107,360	129,314	169,977	235,455
Unrestricted	252,374	363,159	442,275	502,528	574,918
Total business-type activities net position	<u>\$ 1,500,108</u>	<u>1,648,395</u>	<u>1,792,079</u>	<u>1,955,758</u>	<u>2,142,049</u>
Primary government					
Net investment in capital assets	\$ 2,622,698	2,691,153	2,756,611	2,856,949	2,983,616
Restricted	760,850	933,391	1,125,137	1,227,601	1,305,555
Unrestricted	(2,201,642)	(1,616,628)	(1,232,411)	(952,565)	(836,665)
Total primary government net position	<u>\$ 1,181,906</u>	<u>2,007,916</u>	<u>2,649,337</u>	<u>3,131,985</u>	<u>3,452,506</u>

Changes in Net Position
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 1 of 4

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses					
Governmental activities:					
General government	\$ 179,608	161,937	174,713	201,781	193,085
Public assistance	655,225	677,572	690,787	692,159	688,348
Public protection	781,244	862,968	953,258	1,006,545	1,084,967
Health and sanitation	554,731	712,033	677,587	714,167	801,401
Public ways and facilities	172,931	161,596	165,056	173,551	171,290
Recreation and culture	38,951	37,050	45,305	41,833	49,902
Education	1,729	1,658	1,535	1,561	1,638
Interest and fiscal charges	109,019	106,431	102,065	104,203	94,672
Total governmental activities	2,493,438	2,721,245	2,810,306	2,935,800	3,085,303
Business-type activities:					
Airport	\$ 187,985	193,233	199,349	195,411	209,392
Solid Waste	60,357	67,078	75,770	78,402	93,532
Water Agency	55,824	60,695	61,270	62,005	59,902
Parking Enterprise	1,893	3,238	3,781	2,067	2,649
County Transit	2,124	2,406	2,212	2,425	2,677
Total business-type activities	308,183	326,650	342,382	340,310	368,152
Total primary government	\$ 2,801,621	3,047,895	3,152,688	3,276,110	3,453,455
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 152,760	122,521	96,765	99,530	97,762
Public assistance	11	-	-	-	-
Public protection	136,582	131,287	163,474	154,328	153,350
Health and sanitation	34,244	34,184	38,572	37,415	36,954
Public ways and facilities	56,088	55,997	68,807	75,339	83,813
Recreation and culture	21,799	18,169	12,114	12,080	14,178
Operating grants and contributions	1,214,579	1,366,484	1,402,804	1,416,772	1,531,492
Capital grants and contributions	42,248	21,461	42,584	29,327	33,580
Total governmental activities	\$ 1,658,311	1,750,103	1,825,120	1,824,791	1,951,129

Changes in Net Position
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 2 of 4

	2020-21	2021-22	2022-23	2023-24	2024-25
Expenses					
Governmental activities:					
General government	\$ 195,548	174,831	255,607	226,792	235,978
Public assistance	709,042	733,858	821,921	818,072	901,985
Public protection	1,145,784	889,632	1,062,181	1,236,837	1,274,741
Health and sanitation	903,661	810,739	936,391	1,065,393	1,200,655
Public ways and facilities	137,447	176,375	197,513	209,286	231,980
Recreation and culture	41,593	42,941	52,201	63,519	66,300
Education	1,116	1,904	2,085	2,225	1,345
Interest and fiscal charges	78,271	67,058	58,808	40,809	29,017
Total governmental activities	<u>3,212,462</u>	<u>2,897,338</u>	<u>3,386,707</u>	<u>3,662,933</u>	<u>3,942,001</u>
Business-type activities:					
Airport	\$ 204,996	208,680	231,997	250,383	285,955
Solid Waste	96,778	95,808	109,285	127,890	131,895
Water Agency	64,997	61,935	67,312	75,844	74,012
Parking Enterprise	2,279	1,708	1,801	2,370	2,480
County Transit	2,545	2,808	2,885	2,631	2,242
Total business-type activities	<u>371,595</u>	<u>370,939</u>	<u>413,280</u>	<u>459,118</u>	<u>496,584</u>
Total primary government	<u>3,584,057</u>	<u>3,268,277</u>	<u>3,799,987</u>	<u>4,122,051</u>	<u>4,438,585</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 114,780	107,292	106,393	112,377	123,727
Public assistance	-	-	267	228	240
Public protection	176,185	171,689	177,501	188,685	203,439
Health and sanitation	36,783	38,679	34,566	40,354	48,282
Public ways and facilities	102,909	110,482	123,014	129,546	123,904
Recreation and culture	13,727	14,246	11,799	13,246	14,176
Operating grants and contributions	1,511,575	1,601,501	1,828,897	1,877,179	2,019,790
Capital grants and contributions	30,828	29,901	55,303	12,879	39,977
Total governmental activities	<u>\$ 1,986,787</u>	<u>2,073,790</u>	<u>2,337,740</u>	<u>2,374,494</u>	<u>2,573,535</u>

Changes in Net Position
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 3 of 4

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Business-type activities:					
Charges for services:					
Airport	\$ 187,829	196,086	204,638	212,783	195,773
Solid Waste	70,492	76,093	77,943	82,104	84,431
Water Agency	67,233	64,495	80,432	84,736	85,330
Parking Enterprise	2,909	3,014	2,830	3,028	2,628
County Transit	243	252	260	281	236
Operating grants and contributions	2,415	2,350	3,159	2,541	37,927
Capital grants and contributions	15,383	16,833	8,636	19,039	27,431
Total business-type activities	346,504	359,123	377,898	404,512	433,756
Total primary government	\$ 2,004,815	2,109,226	2,203,018	2,229,303	2,384,885
Net (expense)/revenue					
Governmental activities	\$ (835,127)	(971,142)	(985,186)	(1,111,009)	(1,134,174)
Business-type activities	38,321	32,473	35,516	64,202	65,604
Total primary government net expense	\$ (796,806)	(938,669)	(949,670)	(1,046,807)	(1,068,570)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property	\$ 447,437	463,975	490,856	525,232	535,799
Sales/Use taxes	82,762	82,453	86,146	96,730	114,323
Transient occupancy	4,335	5,845	6,583	6,699	5,055
Unrestricted investment earnings	18,291	17,024	10,678	30,907	28,394
Grants and contrib. not restricted to specific programs	285,041	257,252	251,839	264,231	351,657
Pledged tobacco settlement	12,229	12,577	15,016	14,555	20,931
Miscellaneous	86,600	95,586	113,475	118,482	108,527
Transfers	4,721	5,003	6,506	6,474	6,708
Total general revenues and transfers	\$ 941,416	939,715	981,099	1,063,310	1,171,394
Business-type activities:					
Sales/Use taxes	\$ 1,412	561	802	-	-
Unrestricted investment earnings	-	4,627	6,082	14,094	12,716
Grants and contrib. not restricted to specific programs	3,832	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	(4,721)	(5,003)	(6,506)	(6,474)	(6,708)
Total general revenues and transfers	523	185	378	7,620	6,008
Total primary government	\$ 941,939	939,900	981,477	1,070,930	1,177,402
Changes in net position					
Governmental activities	\$ 106,289	(31,427)	(4,087)	(47,699)	37,220
Business-type activities	38,844	32,658	35,894	71,822	71,612
Total primary government	\$ 145,133	1,231	31,807	24,123	108,832

Changes in Net Position
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 4 of 4

	2020-21	2021-22	2022-23	2023-24	2024-25
Business-type activities:					
Charges for services:					
Airport	\$ 171,773	232,166	255,834	283,112	316,484
Solid Waste	96,211	119,319	133,615	139,479	148,111
Water Agency	93,597	65,086	63,850	130,017	126,639
Parking Enterprise	2,232	2,241	2,440	2,665	2,461
County Transit	66	69	101	103	135
Operating grants and contributions	19,706	53,913	14,377	9,184	9,133
Capital grants and contributions	11,128	55,947	68,857	27,764	38,964
Total business-type activities	394,713	528,741	539,074	592,324	641,927
Total primary government	2,381,500	2,602,531	2,876,814	2,966,818	3,215,462
Net (expense)/revenue					
Governmental activities	\$ (1,225,675)	(823,548)	(1,048,967)	(1,288,439)	(1,368,466)
Business-type activities	23,118	157,802	125,794	133,206	145,343
Total primary government net expense	(1,202,557)	(665,746)	(923,173)	(1,155,233)	(1,223,123)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property	\$ 574,282	618,235	661,728	696,152	694,592
Sales/Use taxes	121,066	180,102	171,604	170,437	212,737
Transient occupancy	5,240	6,660	5,748	6,018	5,071
Unrestricted investment earnings	15,151	(371)	64,178	103,151	89,091
Grants and contrib. not restricted to specific programs	474,453	636,048	588,307	565,076	615,343
Pledged tobacco settlement	16,650	17,690	14,672	12,954	12,728
Miscellaneous	141,114	35,640	34,301	47,563	32,723
Transfers	7,042	7,267	6,166	6,057	7,697
Total general revenues and transfers	1,354,998	1,501,271	1,546,704	1,607,408	1,669,982
Business-type activities:					
Sales/Use taxes	\$ -	-	-	-	-
Unrestricted investment earnings	3,353	(2,248)	24,056	35,961	50,833
Grants and contrib. not restricted to specific programs	-	-	-	-	-
Miscellaneous	-	-	-	569	-
Transfers	(7,042)	(7,267)	(6,166)	(6,057)	(7,697)
Total general revenues and transfers	(3,689)	(9,515)	17,890	30,473	43,136
Total primary government	\$ 1,351,309	1,491,756	1,564,594	1,637,881	1,713,118
Changes in net position					
Governmental activities	\$ 129,323	677,723	497,737	318,969	301,516
Business-type activities	19,429	148,287	143,684	163,679	188,479
Total primary government	\$ 148,752	826,010	641,421	482,648	489,995

Fund Balances of Governmental Funds
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
General fund					
Nonspendable	\$ 27,857	51,167	36,478	18,319	15,936
Restricted	212,353	244,324	255,118	261,069	233,500
Assigned	9,780	-	-	75,303	123,259
Unassigned	24,931	37,267	76,162	-	62,205
Total general fund	<u>\$ 274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>
All other governmental funds					
Special revenue funds					
Nonspendable	\$ 691	-	-	-	-
Restricted	210,529	213,732	237,582	244,041	259,031
Debt service funds					
Restricted	89,851	87,466	87,913	70,601	67,945
Capital projects funds					
Restricted	74,799	94,291	97,369	103,835	109,602
Total all other governmental funds	<u>\$ 375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>	<u>436,578</u>

**Fund Balances of Governmental Funds
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)**

Page 2 of 2

	2020-21	2021-22	2022-23	2023-24	2024-25
General fund					
Nonspendable	\$ 24,329	41,852	50,821	54,467	36,369
Restricted	249,171	347,262	370,465	375,393	330,749
Assigned	204,828	170,730	236,882	161,282	145,828
Unassigned	54,923	164,719	109,371	165,025	149,102
Total general fund	<u>533,251</u>	<u>724,563</u>	<u>767,539</u>	<u>756,167</u>	<u>662,048</u>
All other governmental funds					
Special revenue funds					
Nonspendable	-	-	-	-	-
Restricted	\$ 289,024	339,457	392,850	438,519	495,261
Debt service funds					
Restricted	57,667	54,780	55,760	59,997	66,246
Capital projects funds					
Restricted	114,542	127,045	214,448	229,442	232,009
Total all other governmental funds	<u>\$ 461,233</u>	<u>521,282</u>	<u>663,058</u>	<u>727,958</u>	<u>793,516</u>

**Changes in Fund Balances of Governmental Funds
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)**

Page 1 of 2

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Taxes	\$ 534,534	552,273	583,585	628,661	655,177
Use of money and property	18,212	16,970	10,937	29,960	25,523
Licenses and permits	61,423	66,241	71,853	63,338	65,511
Intergovernmental	1,601,586	1,654,188	1,685,673	1,684,433	1,925,701
Charges for sales and services	269,695	257,641	269,158	274,573	288,442
Fines, forfeitures, and penalties	37,600	38,276	38,721	40,781	32,104
Pledged tobacco settlement	12,229	12,577	15,016	14,555	13,954
Contributions and donations	24,167	7,025	12,626	6,037	-
Miscellaneous	81,427	95,586	113,475	115,218	108,527
Total revenues	2,640,873	2,700,777	2,801,044	2,857,556	3,114,939
Expenditures					
General government	165,999	151,713	154,698	190,191	176,569
Public assistance	663,373	671,766	673,167	675,857	671,279
Public protection	797,866	817,939	860,247	918,419	971,533
Health and sanitation	559,977	610,859	655,842	693,869	778,957
Public ways and facilities	135,948	137,106	143,330	138,291	152,750
Recreation and culture	34,869	35,641	40,990	39,132	41,667
Education	1,286	1,422	1,487	1,367	1,553
Capital outlay	59,080	36,974	51,992	37,196	55,380
Debt service:					
Principal	67,346	55,263	60,668	111,160	117,773
Bond issuance cost	-	-	-	275	-
Interest and fiscal charges	135,661	138,928	141,405	93,778	86,930
Total expenditures	2,621,405	2,657,611	2,783,826	2,899,535	3,054,391
Excess (deficiency) of revenues over (under) expenditures	\$ 19,468	43,166	17,218	(41,979)	60,548
Other financing sources (uses)					
Transfers in	\$ 174,485	169,793	186,135	181,761	182,066
Transfers out	(158,151)	(152,894)	(159,219)	(164,981)	(164,943)
Issuance of long-term debt	19,522	17,391	18,241	20,372	20,639
Refunding of debt issued	-	-	-	89,125	-
Premiums on debt issued	-	-	-	11,659	-
Payment to refunded bonds escrow agent	-	-	-	(113,411)	-
Total other financing sources (uses)	35,856	34,290	45,157	24,525	37,762
Changes in fund balances	\$ 55,324	77,456	62,375	(17,454)	98,310
Debt service as a percentage of noncapital expenditures	8.60%	7.63%	7.52%	7.26%	6.94%

Changes in Fund Balances of Governmental Funds
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 2 of 2

	2020-21	2021-22	2022-23	2023-24	2024-25
Revenues					
Taxes	\$ 700,588	804,997	839,080	872,607	912,400
Use of money and property	15,394	2,564	62,866	101,691	86,119
Licenses and permits	86,176	76,472	72,026	82,156	78,694
Intergovernmental	1,977,677	2,256,029	2,464,300	2,413,586	2,706,600
Charges for sales and services	313,193	327,276	346,149	363,312	396,328
Fines, forfeitures, and penalties	43,625	38,571	35,500	38,772	39,251
Pledged tobacco settlement	15,751	17,044	15,463	13,790	13,082
Contributions and donations	4,007	-	37,239	-	-
Miscellaneous	140,753	35,485	35,098	47,301	32,723
Total revenues	3,297,164	3,558,438	3,907,721	3,933,215	4,265,197
Expenditures					
General government	180,464	190,843	265,652	226,300	205,529
Public assistance	685,610	754,437	842,654	823,922	911,646
Public protection	1,007,918	1,050,490	1,166,694	1,261,983	1,356,128
Health and sanitation	871,488	841,339	965,090	1,073,048	1,267,349
Public ways and facilities	157,358	174,714	188,000	189,480	226,624
Recreation and culture	38,617	44,216	54,014	61,725	65,728
Education	1,518	1,618	1,617	1,830	1,975
Capital outlay	53,407	47,119	58,413	64,048	88,626
Debt service:					
Principal	132,148	177,913	193,231	199,946	213,163
Bond issuance cost	2,692	-	632	-	272
Interest and fiscal charges	74,200	68,373	60,117	52,055	45,783
Total expenditures	3,205,420	3,351,062	3,796,114	3,954,337	4,382,823
Excess (deficiency) of revenues over (under) expenditures	\$ 91,744	207,376	111,607	(21,122)	(117,626)
Other financing sources (uses)					
Transfers in	\$ 199,160	230,428	245,546	204,380	210,048
Transfers out	(181,740)	(212,613)	(230,177)	(186,863)	(190,594)
Issuance of long-term debt	25,131	26,170	56,962	57,133	77,585
Refunding of debt issued	263,207	-	180,740	-	-
Premiums on debt issued	38,224	-	445	-	750
Payment to refunded bonds escrow agent	(312,720)	-	(180,371)	-	-
Total other financing sources (uses)	31,262	43,985	73,145	74,650	97,789
Changes in fund balances	\$ 123,006	251,361	184,752	53,528	(19,837)
Debt service as a percentage of noncapital expenditures	6.75%	7.65%	6.92%	6.61%	6.22%

General Governmental Tax Revenues by Source
Fiscal Years 2015-16 through 2024-25
(full accrual basis)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales/Use Tax	Transient Occupancy Tax	Total
2015-16	\$ 447,437	82,762	4,335	534,534
2016-17	463,975	82,453	5,845	552,273
2017-18	490,856	86,146	6,583	583,585
2018-19	525,232	96,730	6,699	628,661
2019-20	535,799	114,323	5,055	655,177
2020-21	574,282	121,066	5,240	700,588
2021-22	618,235	180,102	6,660	804,997
2022-23	661,728	171,604	5,748	839,080
2023-24	696,152	170,437	6,018	872,607
2024-25	694,592	212,737	5,071	912,400

**Assessed Value and Estimated Actual Value of Taxable Property
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)**

Fiscal Year	Secured ^(A)	Unsecured ^(B)	Unitary ^(C)	Exemptions - Welfare-Other ^(D)	Total Taxable Assessed Value	Total Direct Tax Rate ^(E)
2015-16	\$ 134,494,438	6,488,685	1,527,359	(6,387,204)	136,123,278	1.000
2016-17	141,945,673	6,213,686	1,540,805	(6,331,237)	143,368,927	1.000
2017-18	151,164,155	6,450,239	1,605,246	(6,829,284)	152,390,356	1.000
2018-19	161,252,864	6,909,322	1,508,979	(7,040,350)	162,630,815	1.000
2019-20	171,771,317	7,456,729	1,544,478	(7,575,239)	173,197,285	1.000
2020-21	182,060,623	7,870,485	1,559,767	(8,083,004)	183,407,871	1.000
2021-22	191,976,450	7,783,171	1,628,844	(8,384,119)	193,004,346	1.000
2022-23	207,135,834	8,592,387	1,836,685	(8,982,942)	208,581,964	1.000
2023-24	222,439,994	9,225,840	2,042,309	(10,090,739)	223,617,404	1.000
2024-25	233,842,309	10,057,886	2,179,414	(10,665,621)	235,413,988	1.000

^(A) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes.

^(B) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipment, leasehold improvements, and possessory interests.

^(C) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization.

^(D) Exemptions as provided by the State Constitution provide property tax relief to Welfare, Church, and Non-Profit Organizations.

^(E) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values.

Note: All dollar estimates are in current dollars (not adjusted for inflation).

Source: Equalized Rolls Valuation reports

**Average Property Tax Rates – All
Direct and Overlapping Governments
Fiscal Years 2015-16 through 2024-25
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
	Countywide ^(A)	Cities ^(B)	Special Districts ^(C)	Schools ^(D)	
2015-16	1.000	0.0018		0.0473	1.0491
2016-17	1.000	0.0010		0.0531	1.0541
2017-18	1.000			0.0552	1.0552
2018-19	1.000			0.0589	1.0589
2019-20	1.000		0.0128	0.0615	1.0743
2020-21	1.000		0.0193	0.0581	1.0774
2021-22	1.000		0.0138	0.0580	1.0718
2022-23	1.000		0.0171	0.0567	1.0738
2023-24	1.000		0.0164	0.0540	1.0704
2024-25	1.000		0.0130	0.0554	1.0684

^(A) In June 1978 California voters approved Proposition 13, which restricted property taxes to a County-wide rate of 1 percent per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1 percent is based on the County's AB 8 Apportionment factors.

^(B) Rate represents a weighted average of seven incorporated cities within the County.

^(C) Rate represents a weighted average of the various special districts with general obligation bond rates.

^(D) Rate represents a weighted average of the various school districts with general obligation bond rates.

Source: County's internal financial documents

Principal Property Taxpayers
June 30, 2025 and June 30, 2016
 (amounts expressed in thousands)

Taxpayer	June 30, 2025			June 30, 2016		
	Tax Levy ^(A)	Rank	Percentage of Total Tax Levy	Tax Levy ^(B)	Rank	Percentage of Total Tax Levy
Pacific Gas & Electric Co.	29,379	1	1.18%	8,519	1	0.63%
PW Fund	10,472	2	0.46			
Intel Corp	8,719	3	0.38	6,572	3	0.52
Oakmont Properties	7751	4	0.37			
Conrad Ethan	7477	5	0.37			
NP Sacramento	7285	6	0.35			0.47
BRE Delta Industrial	6846	7	0.32			0.62
AT&T	6,311	8	0.31	7,178	2	
KB Home Sacramento	4,607	9	0.26			
Sacramento Downtown Arena	4,590	10	0.22			
MP Holdings LLC				6162	4	0.50
Hines Interest				4551	7	0.41
Walmart, Sam's Club, Et Al				4880	5	0.38
Donahue Schriber Realty Group				4034	9	0.38
Cummings Trust				4,666	6	0.34
Westcore Delta, LLC				4,476	8	0.26
Buzz Oates, Et Al				3,409		

^(A) Tax levy amount provided by Tax and Licensing Division

^(B) FY 2015-16 County Annual Comprehensive Financial Report

**County-Wide 1 Percent – Secured and Unitary
Property Tax Levies and Collections
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)**

Fiscal Year	Taxes Levied ^{(A)(E)}	Collections Within the Fiscal Year ^{(B)(E)}		Collections in Subsequent Years ^(C)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy ^(D)
2015-16	\$ 1,288,948	1,278,225	99.17	\$ 10,701	\$ 1,288,926	100.00
2016-17	1,359,759	1,349,089	99.22	10,629	1,359,718	100.00
2017-18	1,453,162	1,441,490	99.20	11,587	1,453,077	99.99
2018-19	1,550,474	1,538,104	99.20	12,192	1,550,296	99.99
2019-20	1,651,294	1,635,289	99.03	15,585	1,650,874	99.97
2020-21	1,750,891	1,736,895	99.20	13,047	1,749,942	99.95
2021-22	1,847,955	1,835,060	99.30	11,073	1,846,133	99.90
2022-23	1,996,826	1,979,782	99.15	12,293	1,992,075	99.76
2023-24	2,145,727	2,124,128	98.99	10,044	2,134,172	99.46
2024-25	2,257,177	2,232,080	98.89	-	2,232,080	99.89

^(A) County-wide 1 percent - Secured and Unitary Tax Rolls - Adjusted levy amount as of June 30; Levied Amounts for the County General Fund, School Districts, Cities, and Special Districts.

^(B) Collection amounts for the fiscal year as of June 30 for the County-wide 1 percent portion of the Secured and Unitary Taxes.

^(C) In the 1993 fiscal year, the Board of Supervisors adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales proceeds (Teeter Plan) as provided in California Revenue and Taxation Code Section 4701. Under the Teeter Plan, the Secured property tax roll is distributed to all taxing agencies within the County of Sacramento on the basis of the adjusted tax levy, rather than on the basis of actual cash collections.

^(D) The County has a Teeter loan which covers the full balance of levied taxes. If collections are not made within 5 years, the property goes to public auction.

^(E) Columns ^(A) and ^(B) have been revised for FY 2020-21, as unitary bond debt amounts were erroneously included.

Note: All dollar estimates are in current dollars (not adjusted for inflation)

Estimates updated for FY 2024-25, include revised estimates for FY 2015-16 and FY 2020-21 (may not be consistent with prior reported figures)

Source: County's internal financial documents

Ratios of Outstanding Debt by Type
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands, except per capita amount)

Page 1 of 2

Fiscal Year	Governmental Activities								
	Certificates of Participation	General Obligation Bonds ^(A)	Teeter Notes	Pension Obligation Bonds ^(B)	Revenue Bonds	Financed Purchase Obligations ^(C)	Lease Liability ^(D)	SBITA Liability ^(E)	Other Debt
2015-16	\$ 233,261	-	25,494	1,114,323	332,104	3,479	-	-	4,606
2016-17	216,441	-	22,849	1,059,751	332,841	2,974	-	-	647
2017-18	198,681	-	21,618	995,112	331,024	2,227	-	-	581
2018-19	169,721	-	21,460	925,917	329,421	780	-	-	493
2019-20	160,992	-	21,131	847,507	328,401	23,652	-	-	691
2020-21	144,570	-	22,523	759,097	321,059	22,503	-	-	2,838
2021-22	133,097	-	22,151	659,798	309,805	17,600	297,937	-	2,393
2022-23	131,554	-	22,273	550,534	299,422	32,198	286,854	16,011	2,738
2023-24	108,606	10,426	28,034	432,955	289,514	24,196	278,979	10,970	2,358
2024-25	86,751	21,510	34,034	128,975	236,588	16,542	259,413	19,750	2,156

Notes:

See the "Demographic and Economic Statistics" table for population figures.

^(A) First year reporting General Obligation Bonds beginning FY 2023-24.

^(B) Includes Pension Obligation Bonds - Direct Placement Bonds beginning FY 2022-23.

^(C) Revised header name in FY 2021-22 due to GASB 87 implementation, in prior years this was labeled Capital Leases.

^(D) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, Leases.

^(E) First year reporting SBITA Liability in FY 2022-23 due to GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA).

Ratios of Outstanding Debt by Type
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands, except per capita amount)

Page 2 of 2

Fiscal Year	Business-Type Activities							Percentage of Personal Income ^(I)	Per Capita ^(I)
	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Lease Liability ^(D)	SBITA Liability ^(E)	Other Debt ^{(F)(G)(H)}	Total Primary Government		
2015-16	\$ 1,123,317	288,848	-	-	-	7,310	3,132,742	4.38%	2,094
2016-17	1,103,799	273,959	-	-	-	5,080	3,018,341	4.08%	1,995
2017-18	1,068,687	259,699	-	-	-	6,110	2,883,739	3.75%	1,884
2018-19	1,051,100	257,780	-	-	-	6,342	2,763,014	3.41%	1,793
2019-20	976,833	251,057	-	-	-	4,504	2,614,768	3.05%	1,685
2020-21	943,334	243,658	-	-	-	2,369	2,461,951	2.71%	1,578
2021-22	975,582	236,035	-	11,460	-	7,461	2,673,319	2.72%	1,682
2022-23	956,424	228,127	-	12,218	720	47,145	2,586,218	2.64%	1,629
2023-24	936,736	219,919	-	16,224	425	63,676	2,423,018	2.35%	1,530
2024-25	1,301,120	495,510	-	12,671	296	122,420	2,737,736	2.44%	1,719

Notes:

See the "Demographic and Economic Statistics" table for population figures.

^(D) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, Leases.

^(E) First year reporting SBITA Liability in FY 2022-23 due to GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA).

^(F) Revised FY 2014-15 through FY 2015-16 to include SMUD Water Rights.

^(G) Usage fees for the City of Sacramento were paid in full in FY 2017-18.

^(H) First year reporting Loan Agreements and Revolving Line of Credit in FY 2022-23.

^(I) Revised estimates for FY 2014-15 through FY 2015-16 for Personal Income and Population based on the Demographic of Economic Statistics.

Legal Debt Margin Information
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Assessed Value of Property	\$ 136,123,278	143,368,927	152,390,356	162,630,815	173,197,285
Debt Limit, 1.25% of Assessed Value (Statutory Limitation) ⁽¹⁾	1,701,541	1,792,112	1,904,879	2,032,885	2,164,966
Amount of Debt Applicable to Limit:					
General Obligations Bonds					
Less: Resources Restricted to Paying Principal					
Total net debt applicable to limit					
Legal debt margin ⁽²⁾	<u>\$ 1,701,541</u>	<u>1,792,112</u>	<u>1,904,879</u>	<u>2,032,885</u>	<u>2,164,966</u>
Total net debt applicable to the limit as a percentage of the limit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

Note:

⁽¹⁾ Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.

⁽²⁾ The legal debt margin is the County's available borrowing authority under State finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

⁽³⁾ Total net debt applicable to the limit as a percentage of the limit was changed from 100 to N/A for FY 2014-15 through FY 2021-22 as we do not have any debt applicable to the limit.

Source: County's internal documents and financial statements

Legal Debt Margin Information
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Page 2 of 2

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Assessed Value of Property	183,407,871	193,004,346	208,581,964	223,617,404	235,413,988
Debt Limit, 1.25% of Assessed Value (Statutory Limitation) ⁽¹⁾	2,292,598	2,412,554	2,607,275	2,795,218	2,942,675
Amount of Debt Applicable to Limit: General Obligations Bonds Less: Resources Restricted to Paying Principal					
Total net debt applicable to limit					
Legal debt margin ⁽²⁾	2,292,598	2,412,554	2,607,275	2,795,218	2,942,675
Total net debt applicable to the limit as a percentage of the limit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

Note:

⁽¹⁾ Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.

⁽²⁾ The legal debt margin is the County's available borrowing authority under State finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

⁽³⁾ Total net debt applicable to the limit as a percentage of the limit was changed from 100 to N/A for FY 2014-15 through FY 2021-22 as we do not have any debt applicable to the limit.

Source: County's internal documents and financial statements

Pledged-Revenue Coverage
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands)

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue ^(A)	Less: Operating Expenses ^(B)	Net Revenue	Debt Service Requirements		Coverage
				Principal	Interest	
2015-16	\$ 171,151	88,096	83,055	14,820	38,743	1.55
2016-17	178,108	91,317	86,791	15,450	37,905	1.63
2017-18	187,410	101,128	86,282	2,865	36,338	2.20
2018-19	193,835	106,474	87,361	12,420	31,469	1.99
2019-20	209,665	121,588	88,077	15,760	31,099	1.88
2020-21	170,588	119,402	51,186	-	27,581	1.86
2021-22	252,524	124,908	127,616	-	26,621	4.79
2022-23	245,894	146,734	99,160	-	25,746	3.85
2023-24	264,679	165,275	99,404	-	25,746	3.86
2024-25	302,646	181,310	121,336	20,440	25,746	2.63

Water Agency Revenue Bond Coverage ^(D)						
Fiscal Year	Gross Revenue ^(E)	Less: Operating Expenses	Net Revenue	Debt Service Requirements ^(C)		Coverage
				Principal	Interest	
2015-16	\$ 67,351	22,882	44,469	9,070	15,399	1.82
2016-17	65,159	27,813	37,346	9,505	14,960	1.53
2017-18	81,172	27,169	54,003	9,955	14,538	2.2
2018-19	86,220	27,521	58,699	10,435	14,073	2.40
2019-20	88,012	29,156	58,856	11,890	11,268	2.54
2020-21	94,068	32,456	61,612	9,870	12,225	2.79
2021-22	108,622	34,159	74,463	10,350	16,321	2.79
2022-23	108,916	38,743	70,173	10,875	15,875	2.62
2023-24	140,963	41,281	99,682	11,405	15,587	3.69
2024-25	137,356	40,670	96,686	11,955	12,276	3.99

Note: Solid Waste Enterprise Fund does not have revenue bonds

^(A) Per bond resolution, revenues include all Airport revenues and exclude certain interest earnings and restricted revenues.

^(B) Total operating expenses including transfers out, but excluding depreciation and amortization.

^(C) Includes principal and interest of revenue bonds only.

^(D) Water Agency revenue bonds were issued May 9, 2007, October 31, 2019, and February 1, 2022.

^(E) Gross revenue reflects the adjusted annual revenues on the Water Agency Enterprise Fund pledged revenue stream. Fiscal years 2021-22 and 2022-23 have been revised to reflect that the Annual Adjusted Debt Service for the 2022A bonds is calculated based on a thirty-year amortization of the principal and interest at a rate equal to the Bond Buyer - Revenue Bond Index.

Source: County's internal financial documents

Private Sector Principal Employers June 30, 2025 and 2016

Employer	June 30, 2025			June 30, 2016		
	Employees ^(A)	Rank	Percentage of Total County Employment	Employees ^(B)	Rank	Percentage of Total County Employment
UC Davis Health System	16,617	1	2.10%	9,706	1	1.50%
Kaiser Permanente	12,624	2	1.59	6,464	3	1.00
Sutter / California Health Services	10,129	3	1.28	8,817	2	1.36
Dignity / Mercy Healthcare	7,353	4	0.93	6,286	4	0.97
Apple Inc.	5,000	5	0.63	2,500	7	0.39
Intel Corporation	4,000	6	0.63	6,200	5	0.96
Raley's Inc./Bel Air	2,519	7	0.32	3,289	6	0.50
Siemens Mobility Inc.	2,500	8	0.32			
VSP Vision	1,950	9	0.25			
Safeway	1,854	10	0.23			
Health Net of California				2,299	9	0.31
VSP Global				2,415	8	0.37
Wells Fargo & Co.				2,038	10	0.31
Total	<u>64,546</u>		<u>8.51%</u>	<u>50,014</u>		<u>7.53%</u>

Note:

^(A) Sources: Sacramento Business Journal Annual Book of Lists Current Year

^(B) Source: FY 2016 Sacramento County Annual Comprehensive Financial Report

Demographic and Economic Statistics
Fiscal Years 2015-16 through 2024-25
(amounts expressed in thousands except per capita amount)

Fiscal Year	Population ^(A)	Personal Income	Per Capita Personal Income ^(B)	School Enrollment	Unemployment Rate ^(C)
2015-16	1,497	\$ 70,110,138	\$ 46,845	243	6.0 %
2016-17	1,514	72,878,458	48,122	244	5.4 %
2017-18	1,531	76,832,120	50,197	246	4.6 %
2018-19	1,541	80,969,087	52,544	247	3.8 %
2019-20	1,552	85,775,621	55,266	250	3.7 %
2020-21	1,559	90,908,707	58,307	246	9.3 %
2021-22	1,589	98,241,828	61,829	243	7.0 %
2022-23	1,588	98,105,641	61,775	248	3.9 %
2023-24	1,584	103,143,749	65,104	253	4.4 %
2024-25 ^(D)	1,593	112,207,831	69,072	258	5.5 %

Note:

All dollar estimates are in current dollars which are not adjusted for inflation.

Estimates updated November 16, 2023, include new estimates for FY 2021-22 and revised estimates for FY 2014-15 through FY 2020-21, which may not be consistent with prior reported figures.

^(A) Census Bureau mid-year population estimates. Estimates for FY 2014-15 through FY 2022-23 reflect County population estimates available as of March 2023.

^(B) Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for FY 2015-2023 reflect County population estimates available as of March 2024.

^(C) Unemployment rate reflects the March 2024 annual revision.

^(D) Numbers for 2024-25 for Population, Personal Income, & Per Capita derived from State report due to government shut-down.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; California Department of Education, K-12 Public School Enrollment for Sacramento County; and California State Employment Development Department.

Full-Time Equivalent County Government Employees by Function Fiscal Years 2015-16 through 2024-25

Page 1 of 2

Function	Full-Time Equivalent Employees as of June 30th				
	2015-16	2016-17	2017-18	2018-19	2019-20
General Government	895	912	905	853	846
Public Assistance	2,239	2,259	2,224	2,103	2,018
Public Protection	3,948	3,960	3,952	4,280	4,231
Health and Sanitation	2,057	2,181	2,156	2,230	2,178
Recreation and Culture	154	134	157	164	140
Public Ways and Facilities	277	257	246	244	246
Non-Governmental	-	-	11	12	12
Total	9,570	9,703	9,651	9,886	9,671

Source: County of Sacramento Department Records - Governmental Type Employees Only (Excludes Business Type and Dependent Special District Employees)



Full-Time Equivalent County Government Employees by Function Fiscal Years 2015-16 through 2024-25

Page 2 of 2

Function	Full-Time Equivalent Employees as of June 30th				
	2020-21	2021-22	2022-23	2023-24	2024-25
General Government	832	792	841	855	876
Public Assistance	2,005	2,026	2,114	2,112	2,176
Public Protection	4,223	4,268	4,448	4,651	4,831
Health and Sanitation	2,187	2,195	2,328	2,561	2,602
Recreation and Culture	125	130	143	175	191
Public Ways and Facilities	239	235	242	256	260
Non-Governmental	12	12	12	15	12
Total	9,623	9,658	10,128	10,625	10,948

Source: County of Sacramento Department Records - Governmental Type Employees Only (Excludes Business Type and Dependent Special District Employees)

Operating Indicators by Function Fiscal Years 2015-16 through 2024-25

Page 1 of 4

Function	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
General Government					
Assessor:					
Number of parcels assessed	505,436	505,076	508,941	504,653	509,959
Gross total of secured roll (in thousands)	134,202,599	141,838,766	151,097,866	161,271,858	171,708,882
Gross total of unsecured roll (in thousands)	6,488,685	6,220,235	6,450,239	6,909,322	7,456,729
Clerk Recorder:					
Number of recorded documents	362,930	383,763	369,638	336,384	393,676
Public Assistance					
Human Assistance total caseload	330,167	328,585	318,056	314,269	333,993
Percent served of children in poverty	61	61	62	62	58
Housing services provided ^(A)	2,069	1,812	2,319	2,349	1,855
Employee non-exempt recipients CalWORKs ^(G)	52	67	59	61	61
Public Protection					
District Attorney:					
Filed felonies	8,854	8,641	9,077	8,294	8,027
Filed misdemeanors	15,164	14,397	13,342	14,514	13,036
Filed probation violations	1,517	1,785	1,884	1,856	1,112
Probation:					
Cases supervised ^(B)	28,246	28,383	27,701	26,688	24,261
Institutional care for minors (days) ^(C)	62,776	50,237	46,760	43,535	41,023
Juvenile referrals processed	5,519	4,520	3,693	3,086	2,794
Prepared adult sentencing reports ^{(B)(D)(E)(F)}	9,604	11,255	13,999	18,227	20,599
Public Defender:					
Felony Unit jury trials	161	199	133	141	81
Sheriff:					
Emergency calls for service:					
Priority 1	4,070	4,450	4,311	4,319	4,345
Emergency response time (minutes):					
Priority 1	13	12	11	11	11
Processed and booked adult offenders	20,538	15,824	21,616	19,107	10,627
Physical arrests	24,441	18,785	24,928	21,659	12,611
Total miles patrolled by Sheriffs	813	813	813	813	813

^(A) Housing services provided includes only the programs by DHA, including emergency shelters, and the data does not include the programs DHA does not administer.

^(B) Due to restructuring, the County now has the capacity to report on data and critical workload that previously was unable to be captured and quantified.

^(C) California Department of Rehabilitation Division of Juvenile Justice (DJJ) released youth back to local jurisdictions 9/30/2021, full closure 6/30/2023. Institutional care days increase due to commitments.

^(D) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.

^(E) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.

^(F) Pretrial Release Unit reports are captured beginning FY 2019-20.

^(G) Employed Non-Exempt CalWORKs Recipients number is significantly decreased in FY 2023-24 due to DHA transition from CalWIN to CalSAWs software. New software reports data differently.

Source: County of Sacramento Department Records

Operating Indicators by Function Fiscal Years 2015-16 through 2024-25

Page 2 of 4

Function	2020-21	2021-22	2022-23	2023-24	2024-25
General Government					
Assessor:					
Number of parcels assessed	514,745	517,407	522,902	529,271	532,992
Gross total of secured roll (in thousands)	181,977,314	191,921,172	207,080,796	222,472,911	233,643,590
Gross total of unsecured roll (in thousands)	7,870,485	7,783,171	8,592,387	9,225,840	10,057,886
Clerk Recorder:					
Number of recorded documents	520,007	411,200	251,679	238,045	252,655
Public Assistance					
Human Assistance total caseload	361,402	411,022	432,273	444,181	473,102
Percent served of children in poverty	56	52	52	51	69
Housing services provided ^(A)	2,923	2,807	2,615	3,454	6,108
Employee non-exempt recipients CalWORKs	49	54	50	1	75
Public Protection					
District Attorney:					
Filed felonies	9,292	8,760	8,228	7,150	7,603
Filed misdemeanors	11,780	12,130	10,861	13,148	14,287
Filed probation violations	304	318	220	97	65
Probation:					
Cases supervised ^(B)	23,172	20,484	17,379	18,280	18,442
Institutional care for minors (days) ^(C)	36,616	42,992	57,372	61,995	49,319
Juvenile referrals processed	2,105	2,161	2,692	3,315	3,036
Prepared adult sentencing reports ^{(B)(D)(E)(F)}	30,950	32,607	17,745	30,669	32,116
Public Defender:					
Felony Unit jury trials	56	45	102	105	115
Sheriff:					
Emergency calls for service:					
Priority 1	4,766	4,583	4,500	4,380	4,354
Emergency response time (minutes):					
Priority 1	12	15	15	14	13
Processed and booked adult offenders	8,181	6,832	5,977	5,510	5,192
Physical arrests	10,654	8,522	8,484	7,093	6,493
Total miles patrolled by Sheriffs	813	813	813	813	813

^(A) Housing services provided includes only the programs by DHA, including emergency shelters, and the data does not include the programs DHA does not administer.

^(B) Due to restructuring, the County now has the capacity to report on data and critical workload that previously was unable to be captured and quantified.

^(C) California Department of Rehabilitation Division of Juvenile Justice (DJJ) released youth back to local jurisdictions 9/30/2021, full closure 6/30/2023. Institutional care days increase due to commitments.

^(D) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.

^(E) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.

^(F) Pretrial Release Unit reports are captured beginning FY 2019-20.

^(G) Employed Non-Exempt CalWORKs Recipients number is significantly decreased in FY 2023-24 due to DHA transition from CalWIN to CalSAWs software. New software reports data differently.

Source: County of Sacramento Department Records

Operating Indicators by Function Fiscal Years 2015-16 through 2024-25

Page 3 of 4

Function	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Health and Sanitation					
Patient treatments at Public Health clinics	19,700	23,613	29,791	30,532	43,170
Training:					
Programs in compliance (by inspection) (H)(I)(J)	100	100	100	100	95
Public Ways and Facilities					
Number of traffic signs resent and replaced	13,910	16,129	8,635	7,099	6,914
Square feet of graffiti removed or abated	205,084	131,490	129,600	200,587	152,281
Recreation and Culture					
Number of individuals who use Parks' golf services	157,095	131,248	147,029	142,048	168,110
Education					
Library:					
Total circulation ^(J)	7,480,731	7,064,066	7,573,185	8,112,087	7,000,665
Library cards issued ^(K)	63,384	60,535	100,733	142,678	69,715
Total library cards in use	651,636	692,508	706,452	771,503	766,505
Library visits	4,252,802	3,625,829	3,667,015	3,712,147	2,653,910
Airport					
Number of commercial airlines	10	10	11	16	16
Number of flights	48,627	50,551	55,879	60,082	57,541
Number of enplaned passengers	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040
Solid Waste					
Percent of diversion/recycled waste	73	70	68	63	66
Tons disposed	657,247	747,704	796,946	890,301	946,063
Water Agency					
Water supply:					
Number of water connections	53,439	54,464	55,178	56,137	57,541
Water delivered (acre feet)	31,174	35,079	39,750	39,750	43,842
Storm Water Utilities					
Drainage:					
Mainline and lateral pipes cleaned (miles)	119	84	107	133	84
Parking Enterprise					
Daily public parking (count)	151,629	149,112	135,932	116,094	92,848
Monthly parking passes issued to County employees (count)	17,640	18,216	21,180	20,676	17,683
Outside agency usage	7,792	4,555	4,551	4,040	3,201
County Transit					
Total passengers	111,016	107,217	103,992	105,479	82,582
Total days	252	251	251	249	249
Average daily passengers	441	427	414	424	332

^(H) Non Mandated inspections suspended due to budget/staff reductions. Program rebuilding measures are underway.

^(I) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

^(J) Three (of fifteen) ALS providers are non-compliant and on monthly check-in. Note relates to programs in compliance (by inspection) FY 2021-22.

^(K) Books loaned and audio visual media loaned statistics are combined.

Source: County of Sacramento Department Records

Operating Indicators by Function Fiscal Years 2015-16 through 2024-25

Page 4 of 4

Function	2020-21	2021-22	2022-23	2023-24	2024-25
Health and Sanitation					
Patient treatments at Public Health clinics	35,808	59,501	49,127	55,569	57,974
Training:					
Programs in compliance (by inspection) (G)(H)(I)	Unknown	80	100	99	100
Public Ways and Facilities					
Number of traffic signs resent and replaced	10,204	7,810	5,665	5,175	3,942
Square feet of graffiti removed or abated	287,881	237,079	212,085	237,690	70,253
Recreation and Culture					
Number of individuals who use Parks' golf services	204,230	186,610	158,259	172,919	195,895
Education					
Library:					
Total circulation ^(K)	5,464,352	7,266,036	7,732,460	8,654,365	8,887,713
Library cards issued	22,796	69,256	102,405	177,250	91,556
Total library cards in use	692,074	699,101	720,073	858,125	896,558
Library visits	369,551	1,148,709	1,927,032	2,010,888	2,380,848
Airport					
Number of commercial airlines	16	17	14	14	12
Number of flights	43,076	58,735	62,868	56,315	67,722
Number of enplaned passengers	3,210,164	5,793,732	6,444,324	6,597,093	6,904,708
Solid Waste					
Percent of diversion/recycled waste	68	68	70	69	68
Tons disposed	943,258	920,989	845,995	529,198	871,608
Water Agency					
Water supply:					
Number of water connections	58,890	60,004	61,348	63,295	65,406
Water delivered (acre feet)	48,555	43,874	43,490	41,598	44,671
Storm Water Utilities					
Drainage:					
Mainline and lateral pipes cleaned (miles)	58	47	6	48	49
Parking Enterprise					
Daily public parking (count)	36,714	54,755	77,313	80,362	83,585
Monthly parking passes issued to County employees (count)	17,839	16,673	16,819	17,349	15,799
Outside agency usage	746	2185	2,588	2,788	1,884
County Transit					
Total passengers	29,622	35,807	47,989	50,328	55,211
Total days	253	254	251	252	249
Average daily passengers	117	141	191	200	222

^(G) Employed Non-Exempt CalWORKs Recipients number is significantly decreased in FY 2023-24 due to DHA transition from CalWIN to CalSAWs software. New software reports data differently.

^(H) Non Mandated inspections suspended due to budget/staff reductions. Program rebuilding measures are underway.

^(I) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

^(J) Three (of fifteen) ALS providers are non-compliant and on monthly check-in. Note relates to programs in compliance (by inspection) FY 2021-22.

^(K) Books loaned and audio visual media loaned statistics are combined.

Source: County of Sacramento Department Records

Capital Asset Statistics by Function Fiscal Years 2015-16 through 2024-25

Page 1 of 4

Function	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Public Protection					
Sheriff:					
Administrations buildings	1	1	1	1	1
Aircrafts					
Operational	5	5	5	5	5
Non-Operational					
Fixed Wing					
Sheriff					
CAL-MMET	2	2	2	2	2
Community service centers	7	8	8	8	9
Jail and detention facilities	2	2	2	2	2
Patrol Units	386	385	409	397	410
Stations	3	3	3	3	3
Health and Sanitation					
Clinics	1	1	1	1	1
Mental Health Treatment					
Clinics	1	1	1	1	1
Public Ways and Facilities					
Centerline miles of roads maintained	2,200	2,203	2,202	2,208	2,208
Traffic signals	466	473	476	505	508
Recreation and Culture					
Number of golf courses	4	4	4	4	4
Number of developed parks	38	38	38	38	38
Developed parks acreage	15,189	15,189	15,189	15,189	15,189
Education					
Number of libraries ^(A)	11	11	11	11	11

^(A) There are 16 County libraries 11 buildings are County owned and 5 are owned by other government entities or leased.

Source: County of Sacramento Department Records

Capital Asset Statistics by Function Fiscal Years 2015-16 through 2024-25

Page 2 of 4

Function	2020-21	2021-22	2022-23	2023-24	2024-25
Public Protection					
Sheriff:					
Administrations buildings	1	1	1	1	1
Aircrafts					
Operational	5	5	4	4	4
Non-Operational			1	1	1
Fixed Wing					
Sheriff		1	1	2	2
CAL-MMET	2	1	1	1	1
Community service centers	8	7	6	6	6
Jail and detention facilities	2	2	2	2	2
Patrol Units	411	397	401	380	378
Stations	3	3	3	3	3
Health and Sanitation					
Clinics	1	1	1	1	1
Mental Health Treatment					
Clinics	1	5	5	5	5
Public Ways and Facilities					
Centerline miles of roads maintained	2,209	2,214	2,215	2,215	2,224
Traffic signals	511	512	515	515	525
Recreation and Culture					
Number of golf courses	4	4	3	3	4
Number of developed parks	38	38	38	38	38
Developed parks acreage	15,189	15,189	15,189	15,189	15,189
Education					
Number of libraries ^(A)	11	11	11	11	11

^(A) There are 16 County libraries 11 buildings are County owned and 5 are owned by other government entities or leased.

Source: County of Sacramento Department Records

Capital Asset Statistics by Function Fiscal Years 2015-16 through 2024-25

Page 3 of 4

Function	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Airport					
Airports	4	4	4	4	4
Licensed vehicles:					
Cars and light trucks	205	201	189	182	183
Busses	51	42	28	33	33
Solid Waste					
Number of collection trucks	100	100	100	100	100
Number of landfills	3	3	3	3	3
Water Agency					
Water Supply:					
Water mains (miles)	805	812	829	851	880
Storage capacity (thousands of gallons)	61,900	61,900	61,600	61,600	61,600
Drainage:					
Drainage inlets	38,651	38,425	37,262	37,145	37,947
Drainage manholes	23,573	23,589	23,127	23,302	23,808
Drainage pipes (miles)	1,353	1,341	1,293	1,293	1,313
Parking Enterprise					
Structures	2	2	2	2	2
County Transit					
Number of buses	17	18	18	18	18

Source: County of Sacramento Department Records

Capital Asset Statistics by Function Fiscal Years 2015-16 through 2024-25

Page 4 of 4

Function	2020-21	2021-22	2022-23	2023-24	2024-25
Airport					
Airports	4	4	4	4	4
Licensed vehicles:					
Cars and light trucks	188	189	190	205	212
Busses	31	35	41	40	52
Solid Waste					
Number of collection trucks	106	116	137	134	135
Number of landfills	3	3	3	3	3
Water Agency					
Water Supply:					
Water mains (miles)	864	889	909	940	954
Storage capacity (thousands of gallons)	61,700	61,700	61,700	61,700	61,700
Drainage:					
Drainage inlets	38,155	37,957	38,184	36,773	35,997
Drainage manholes	24,173	24,189	24,353	24,649	24,373
Drainage pipes (miles)	1,326	1,308	1,327	1,324	1,292
Parking Enterprise					
Structures	2	2	2	2	2
County Transit					
Number of buses	19	19	19	19	19

Source: County of Sacramento Department Records



This page intentionally left blank.

BOND DISCLOSURES



This page intentionally left blank.

Annual Continuing Disclosures For The Fiscal Year Ended June 30, 2025

This is the County of Sacramento Annual Continuing Disclosure filing for December 31, 2025, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of the issuance date of this Annual Comprehensive Financial Report and is subject to change without notice, and shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

This Section contains three separate Annual Continuing Disclosure filings for the following:

- a) Certificates of Participation; Pension Obligation Bonds; and River City Regional Stadium Financing Authority Lease Revenue Bonds
- b) Airport System Revenue Bonds
- c) Water Financing Authority Revenue Bonds

Annual Continuing Disclosures for:
Certificates of Participation; Pension Obligation Bonds; And
River City Regional Stadium Financing Authority Lease Revenue Bond

Required Tables

Sacramento County Investment Pool
(Quarter Ended on September 30, 2025)

Average Daily Balance	\$	6,392,045,052
Period-End Balance	\$	6,185,748,027
Yield		3.970%
Weighted Average Maturity		383
Duration in Years		0.970
Historical Cost	\$	6,192,998,400
Fair Value	\$	6,211,959,977
Percent of Fair Value to Cost		100.31%



**Annual Continuing Disclosures For:
Certificates of Participation; Pension Obligation Bonds; And
River City Regional Stadium Financing Authority Lease Revenue Bonds**

Required Tables

**General Fund Adopted Budget⁽¹⁾
(amounts expressed in thousands)**

	FY 2022-23	FY 2023-24	FY 2024-25⁽²⁾	FY 2025-26
APPROPRIATIONS				
Reserve Increase	\$ 221,174	126,553	22,424	22,586
General Government	129,348	91,082	208,919	197,964
Public Protection	1,528,718	1,612,710	1,215,788	1,238,771
Health and Sanitation	746,909	934,215	1,442,704	1,519,191
Public Assistance	1,003,141	1,037,167	938,746	1,002,571
Education, Cultural and Recreation	40,336	43,306	31,182	30,203
Contingencies	42,499	52,903	14,492	8,658
TOTAL APPROPRIATIONS	\$ 3,712,125	3,897,936	3,874,255	4,019,944
AVAILABLE FUNDS				
Beginning Appropriated Fund Balance/Carryover	\$ 394,256	316,664	127,195	92,694
Equity Transfer In	377	50	204	1,094
Reserve Cancellation	3,374	45,840	5,246	30,657
Taxes	778,899	821,867	842,435	878,589
Licenses and Permits	11,632	11,081	11,968	11,530
Fines, Forfeitures and Penalties	20,746	19,461	17,424	17,899
Realignment	794,979	781,493	852,975	856,690
Other Interfund Reimbursements	-	-	104,063	99,859
Proposition 172	174,267	177,199	173,062	175,204
Patient Care Revenue	-	-	278,001	359,640
Mental Health Services	115,768	207,264	146,348	113,042
Clerk/Recorder Fees	3,009	2,564	-	-
Use of Money and Property	7,647	16,821	15,718	14,127
Aid from Other Government Agencies (state and federal)	1,223,724	1,319,925	1,126,357	1,194,491
Charges for Current Services	138,198	140,776	142,581	141,555
Other Revenues	45,249	36,931	30,678	32,873
TOTAL AVAILABLE FUNDS	\$ 3,712,125	3,897,936	3,874,255	4,019,944

⁽¹⁾ Board of Supervisors adopted budget prior to any Appropriation Adjustment Requests (AAR).

⁽²⁾ Years prior to Fiscal Year 2024-25 incorporated some appropriations and revenues that were not part of 001A. FY 2024-25 and on will be reflective of only appropriations and revenues for Fund 001A as presented in prior official statements. Clerk/Recorder fees are now included in charges for current services.

History of Gross Assessed Valuations (amounts expressed in thousands)

Fiscal Year	Total Gross Assessed Valuation	Secured/Unsecured Roll Growth
2016-17	\$ 148,052,405	5.23%
2017-18	157,548,105	6.41%
2018-19	168,181,180	6.75%
2019-20	179,165,611	6.53%
2020-21	189,847,799	5.96%
2021-22	199,704,342	5.19%
2022-23	215,673,183	8.00%
2023-24	231,698,751	7.43%
2024-25	243,701,475	5.18%
2025-26	256,881,294	5.41%

Countywide Secured Tax Levies, Delinquencies and Collections (excludes levies for bond debt service and special assessments) (amounts expressed in thousands)

Fiscal Year	Secured Tax Levies	Current Levy Delinquent June 30	Percent Current Levy Delinquent June 30	Total Collections June 30 ⁽¹⁾	Total Collection Current Levy
2016-17	\$ 1,359,759	10,670	0.78%	1,349,089	99.22%
2017-18	1,453,162	11,672	0.80%	1,441,490	99.20%
2018-19	1,550,474	12,370	0.80%	1,538,104	99.20%
2019-20	1,651,294	16,005	0.97%	1,635,289	99.03%
2020-21	1,750,891	13,996	0.80%	1,736,895	99.20%
2021-22	1,847,955	12,895	0.70%	1,835,060	99.30%
2022-23	1,996,826	17,044	0.85%	1,979,782	99.15%
2023-24	2,145,727	21,599	1.01%	2,124,128	98.99%
2024-25	2,257,177	25,098	1.11%	2,232,079	98.89%

⁽¹⁾ Includes prior years' redemption, penalties and interest.

* Fiscal Year's 2015-16 through 2018-19 now include secured Utility Taxes and Utility Railroad taxes.

Largest Secured Taxpayers FY 2025-26
(includes levies for bond debt service
and special assessments)

Taxpayer	Amount
Pacific Gas & Electric Co.	\$ 29,378,772
PW Fund	10,472,380
Intel Corporation	8,719,170
Oakmont Properties	7,750,512
Ethan Conrad	7,477,281
NP Sacramento	7,284,658
BRE Delta Industrial Sacramento	6,845,759
AT&T	6,311,301
KB Home Sacramento	4,606,909
Sacramento Downtown Area	4,590,451
Total (represents 2.98 percent secured tax roll levy):	<u>\$ 93,437,191</u>

Total General Fund Revenues, Expenditures and Changes in Fund Balance
FY 2020-21 through FY 2024-25
(amounts expressed in thousands)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Beginning Fund Balance	\$ 434,900	533,251	724,563	767,539	756,167
Revenues					
Taxes	657,123	744,507	770,676	804,075	838,018
Use of money and property	9,959	2,178	34,419	63,128	46,565
Licenses and permits	11,529	12,630	11,849	10,838	11,376
Intergovernmental	1,862,804	2,108,837	2,297,752	2,265,130	2,513,130
Charges for sales and services	151,125	133,171	131,897	141,432	160,281
Fines, forfeitures and penalties	26,119	21,829	21,699	22,163	22,930
Miscellaneous	92,439	29,282	28,257	37,301	20,414
Total Revenues	2,811,098	3,052,434	3,296,549	3,344,067	3,612,714
Transfers in	16,257	19,269	12,748	14,677	14,059
Issuance of long-term debt	-	3,203	23,504	27,125	31,471
Total Revenues and Transfers	2,827,355	3,074,906	3,332,801	3,385,869	3,658,244
Expenditures					
General government	132,413	137,717	195,979	159,627	177,494
Public assistance	668,157	754,437	842,654	823,922	911,646
Public protection	935,849	971,907	1,068,499	1,158,394	1,241,880
Health and sanitation	829,250	797,834	924,451	1,035,228	1,188,064
Recreation and culture	22,619	25,105	29,755	35,739	39,329
Education	433	436	451	519	584
Debt Service:					
Principal	-	30,008	33,811	33,705	36,315
Interest and fiscal charges	-	3,623	3,318	3,450	4,944
Total Expenditures	2,588,721	2,721,067	3,098,918	3,250,584	3,600,256
Transfers out	132,532	162,527	190,907	146,657	152,107
Total Expenditures and Transfers	2,721,253	2,883,594	3,289,825	3,397,241	3,752,363
Net change in fund balance	106,102	191,312	42,976	(11,372)	(94,119)
Ending Fund Balance	\$ 541,002	724,563	767,539	756,167	662,048

**Financing Obligations
As of July 1, 2025**

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	County Liability
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	\$ 36,150,000	\$ 17,515,000	2035	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	14,335,000	2030	66% (if ticket receipts insufficient)
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	48,305,000	2034	100%
2020 COP Refunding	Rio Cosumnes Correctional Center	27,080,000	16,530,000	2030	100%
2015 Motorola Radio System Lease	Motorola Systems Equipment Lease	13,662,797	1,541,560	2026	100%
2023 DTECH Cisco	CoSwan Network	21,999,968	13,225,766	2028	100%

**Pension Obligation Bonds
As of July 1, 2025**

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	\$ 359,165,000	\$ 44,325,000	2027	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	84,650,000	2026	75%
County of Sacramento Taxable Pension Bonds - Direct Placement, Series 2023	Refund Series 2008 (2030 Maturity Only)	180,740,000	179,655,000	2031	75%

Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and resets quarterly. There are no pre-payment penalties, thereby providing the County with the flexibility to opt-in at a later date into an alternative form of Teeter Plan financing.

As of June 30, 2025
(amounts expressed in thousands)

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 25,131	829	08/01/2025
Sacramento County (Teeter Plan)	22,967	1,706	08/01/2026
Sacramento County (Teeter Plan)	23,416	4,197	08/01/2027
Sacramento County (Teeter Plan)	29,876	9,410	08/01/2028
Sacramento County (Teeter Plan)	33,914	17,892	08/01/2029

**County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Certificates of Participation Only
(includes principal and interest)
As of July 1, 2025**

Period Ending June 30	Series 2003 Juvenile Court COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	Series 2020 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds ⁽¹⁾	Fiscal Year Total
2026	\$ 2,215,419	4,871,250	4,793,125	3,732,000	2,334,002	17,945,796
2027	2,214,006	4,870,750	4,787,500	3,734,125	2,327,147	17,933,528
2028	2,214,938	4,873,875	4,793,625	3,738,250	2,322,568	17,943,256
2029	2,213,106	-	4,791,000	3,739,000	2,315,989	13,059,095
2030	2,212,000	-	4,789,375	3,736,125	2,309,799	13,047,299
2031	2,215,750	-	4,788,250	-	-	7,004,000
2032	2,215,000	-	4,796,875	-	-	7,011,875
2033	2,214,625	-	4,789,875	-	-	7,004,500
2034	2,214,375	-	4,791,875	-	-	7,006,250
2035	2,214,000	-	-	-	-	2,214,000
2036	-	-	-	-	-	-
Total	\$ 22,143,219	14,615,875	43,121,500	18,679,500	11,609,505	110,169,599

⁽¹⁾ County required to pay only if ticket receipts are insufficient. The County has never been required to make any debt service payments.

County of Sacramento Aggregate Debt Service
Current Outstanding Debt- Pension Obligation Bonds and Certificates of Participation
(includes principal and interest)
As of July 1, 2025

Period Ending June 30	Series 2008 Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs	Series 2023 Refunding POBs - Direct Placement ⁽¹⁾	FY POBs Total	FY COPs Total	FY Financed Purchase Obligations Total ⁽²⁾	FY POBs, COPs, & Financing Obligations Combined
2026	\$ 28,106,049	0	87,718,563	11,845,124	127,669,736	17,945,796	6,584,530	152,200,062
2027	17,755,915	-	0	24,024,107	41,780,022	17,933,528	4,999,992	64,713,542
2028	0	-	-	43,045,531	43,045,531	17,943,256	4,999,992	65,988,779
2029	-	-	-	45,088,187	45,088,187	13,059,095	0	58,147,282
2030	-	-	-	46,874,793	46,874,793	13,047,299	-	59,922,092
2031	-	-	-	47,942,334	47,942,334	7,004,000	-	54,946,334
2032	-	-	-	0	0	7,011,875	-	7,011,875
2033	-	-	-	-	-	7,004,500	-	7,004,500
2034	-	-	-	-	-	7,006,250	-	7,006,250
2035	-	-	-	-	-	2,214,000	-	2,214,000
2036	-	-	-	-	-	0	-	-
Total	<u>\$ 45,861,964</u>	<u>-</u>	<u>87,718,563</u>	<u>218,820,076</u>	<u>352,400,603</u>	<u>110,169,599</u>	<u>16,584,514</u>	<u>479,154,716</u>

⁽¹⁾ Assumed swap rate of 5.901% for the 2026 Term Bond; 6.375% for \$166,950,000 of the 2030 Term Bond; 4.122% for \$12,705,000 of the 2030 Term Bond. True interest rates will be based on the Secured Overnight Financing Rate (SOFR) plus 0.11% for the Index Adjustment, plus 0.45% for the Credit Spread.

⁽²⁾ Does not include leases with a pledge of net revenues of an enterprise fund

Variable Rate Debt/Interest Rate Swaps

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo USD-LIBOR-BBA*
Bond Amount Outstanding as of July 1, 2025	\$44,325,000
Insurer	FSA
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$44,325,000
Payment Terms	County pays 5.901% fixed; Counterparty pays 1-month fallback (SOFR): 4.44178%
Est. Valuation (includes accrued interest)	Negative (\$386,339)
County Credit Rating Risk (threshold for termination event for swap agreement)	County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P) or BBB (Fitch)
Footnote	*This swap will follow the federal guidance fallback provisions in Fiscal Year 2024 to transition from LIBOR to SOFR.

Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR +0.56448%
Bond Amount Outstanding as of July 1, 2025	\$166,950,000
Insurer	N/A
Swap Counterparty	Bank of America, N/A
Swap Notional Amount	\$166,950,000
Payment Terms	County pays 6.375% fixed; Counterparty pays SOFR+ 0.56448%; 4.87981%
Est. Valuation (includes accrued interest)	Negative (\$13,055,798)
County Credit Rating Risk (threshold for termination event for swap agreement)	<p>The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&P/Fitch:</p> <p>Tier I = 0.45% (A2/A/A and above)</p> <p>Tier II = 0.55% (A3/A-/A-)</p> <p>Tier III = 0.77% (Baa1/BBB+/BBB+)</p> <p>Tier IV = 0.90% (Baa2/BBB/BBB)</p> <p>The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).</p>

Variable Rate Debt/Interest Rate Swaps

Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR + 0.56448%
Bond Amount Outstanding as of July 1, 2025	\$12,705,000
Insurer	N/A
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$12,705,000
Payment Terms	County pays 4.122% fixed; Counterparty pays SOFR+ 0.56448% : 4.87981%
Est. Valuation (includes accrued interest)	Negative (\$37,722) The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&P/Fitch: Tier I = 0.45% (A2/A/A and above) Tier II = 0.55 % (A3/A-/A-) Tier III = 0.77% (Baa1/BBB+/BBB+) Tier IV = 0.90% (Baa2/BBB/BBB) The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).
County Credit Rating Risk (threshold for termination event for swap agreement)	

Department of Airports Annual Report (Airport Enterprise Fund)

In accordance with the requirements of the Continuing Disclosure Certificates for the County of Sacramento Airport System Senior Revenue Bonds, Series 2008 and 2009, the Airport System Senior Revenue Refunding Bonds, Series 2016A, 2018A, 2018B, 2018C, 2020, 2024, 2025A, 2025B, and 2025C, and the Airport System Subordinate and PFC/Grant Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B, 2018D, 2018E, 2018F, 2025D, 2025E, and 2025F (collectively, the "Certificate"), the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2007-2008, and each ACFR thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The ACFR is filed with each National and State Repository specified in the Rule, and with any other repository that shall be identified in the future.

Annual Report

The following items are required by the Certificate to be included in the Annual Report:

- a) The audited financial statements of the Department of Airports for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- b) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
 - 1) Historical Enplaned Passengers – Exhibit 1
 - 2) Historical Aircraft Landed Weight – Exhibit 2
 - 3) Airlines' Market Shares of Enplaned Passengers – Exhibit 3
 - 4) Statement of Revenues, Expenses and Changes in Net Position – Exhibit 4
 - 5) Airline and Nonairline Revenues – Exhibit 5
 - 6) Summary of Historical Revenues, Expenses and Debt Service Coverage – Exhibit 6

Reporting Of Material Events

In connection with the issuance of the County's not to exceed \$600,000,000 Airport System Senior Revenue Bonds, Series 2024 the County posted a Notice of Potential Financing as a voluntary disclosure in order to comply with SEC regulations. Additionally, on January 7, 2025, the County issued its Airport System Revenue Bond, 2025 TIFIA Series in the aggregate principal amount not to exceed \$36,016,028. Notice of the incurrence of a financial obligation was provided via EMMA on January 10, 2025.

The above events were disclosed as material events when announced. No additional material events, as identified in Section 5 of the Certificate, have occurred for any of the outstanding bonds issued by Sacramento County and there is no knowledge on the part of the County of any impending material events that would require disclosure under the provisions of the Certificate.

Historical Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 1

Page 1 of 2

Enplanements	2016	2017	2018	2019	2020
Major and other airlines ⁽¹⁾	4,483,792	4,713,231	5,175,936	5,701,245	4,496,776
Regional airlines	459,393	484,953	585,650	597,202	444,264
Total	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040
Percent change from prior year	6.80%	5.16%	10.84%	9.32%	-21.55%

Source: Department of Airports statistics reports.

⁽¹⁾ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

Historical Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 1

Page 2 of 2

Enplanements	2021	2022	2023	2024	2025
Major and other airlines ⁽¹⁾	3,003,922	5,324,255	6,002,584	6,086,875	6,326,403
Regional airlines	206,242	469,477	441,740	510,218	578,759
Total	3,210,164	5,793,732	6,444,324	6,597,093	6,905,162
Percent change from prior year	(35.03%)	80.48%	11.23%	2.37%	4.67%

Source: Department of Airports statistics reports.

⁽¹⁾ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

Historical Aircraft Landed Weight - Last 10 Years
Fiscal Years Ended June 30
Exhibit 2
(in 1,000 lb. units)

Page 1 of 2

	2016	2017	2018	2019	2020
Passenger airlines					
Major and other airlines ⁽¹⁾	4,890,000	5,182,816	5,731,091	6,243,996	5,503,729
Regional airlines	508,376	570,233	674,706	689,413	576,404
Subtotal	5,398,376	5,753,049	6,405,797	6,933,409	6,080,133
All cargo airlines	687,612	728,575	1,038,232	1,276,124	1,286,887
Total	6,085,988	6,481,624	7,444,029	8,209,533	7,367,020
Percent change from prior year	5.20%	6.50%	14.85%	10.28%	(10.26%)

Source: Department of Airports records.

⁽¹⁾ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

Historical Aircraft Landed Weight - Last 10 Years
Fiscal Years Ended June 30
Exhibit 2
(in 1,000 lb. units)

Page 2 of 2

	2021	2022	2023	2024	2025
Passenger airlines					
Major and other airlines ⁽¹⁾	4,097,086	5,999,400	6,837,816	6,766,924	7,249,299
Regional airlines	332,231	573,402	518,627	614,154	740,351
Subtotal	4,429,317	6,572,802	7,356,443	7,381,078	7,989,650
All cargo airlines	1,434,370	1,252,780	1,080,048	1,061,482	1,058,694
Total	5,863,687	7,825,582	8,436,491	8,442,560	9,048,344
Percent change from prior year	(20.41%)	33.46%	7.81%	0.07%	7.18%

Source: Department of Airports records.

⁽¹⁾ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 1 of 4

	2016	2017	2018	2019	2020
Percentage of Total Enplanements					
Major Airlines⁽¹⁾					
Southwest Airlines	51.8%	51.5%	53.2%	53.3%	51.8%
American Airlines	12.2	13.0	12.0	10.7	10.1
Delta Air Lines	11.1	10.6	10.6	10.2	10.7
United Airlines	10.1	9.9	9.9	10.7	9.1
Alaska Airlines	8.4	8.1	8.1	7.9	6.3
Jet Blue Airlines	2.8	2.9	2.8	2.4	2.2
Horizon Airlines	-	-	-	-	1.8
Hawaiian Airlines	1.7	1.7	1.5	1.5	1.8
Frontier Airlines	-	-	-	0.8	1.2
Aeromexico	1.1	1.3	1.0	0.9	0.9
Air Canada	-	-	-	0.3	0.3
Spirit	-	-	-	0.1	2.0
Sun Country	-	-	-	0.1	0.3
Contour	-	-	-	0.1	0.3
Volaris Airlines	0.8	1.0	0.9	1.0	1.2
Subtotal	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Department of Airports statistics reports.

⁽¹⁾ Defined for this analysis as scheduled airlines operating with 60 or more seats.

Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 2 of 4

	2021	2022	2023	2024	2025
Percentage of Total Enplanements					
Major Airlines⁽¹⁾					
Southwest Airlines	49.9%	51.5%	56.1%	55.3%	53.2%
American Airlines	11.8	9.4	8.6	9.7	9.6
Delta Air Lines	11.6	10.5	9.8	9.8	10.0
United Airlines	9.8	10.4	9.0	9.4	10.0
Alaska Airlines	3.8	6.0	5.4	3.8	4.9
Jet Blue Airlines	0.5	1.0	1.2	1.1	0.7
Horizon Airlines	3.0	1.6	0.9	1.6	1.2
Hawaiian Airlines	1.9	2.4	2.3	2.2	2.7
Frontier Airlines	2.3	1.9	0.9	0.5	1.9
Aeromexico	1.2	0.9	0.7	1.2	0.6
Air Canada	-	-	0.3	0.5	0.5
Spirit	2.1	2.8	3.1	3.1	2.9
Sun Country	0.1	-	-	-	-
Contour	-	-	-	-	-
Volaris Airlines	2.0	1.6	1.7	1.8	1.8
Subtotal	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Department of Airports statistics reports.

⁽¹⁾ Defined for this analysis as scheduled airlines operating with 60 or more seats.

Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 3 of 4

	2016	2017	2018	2019	2020
Ranking					
Major Airlines⁽¹⁾					
Southwest Airlines	1	1	1	1	1
American Airlines	2	2	2	2	3
Delta Air Lines	3	3	3	4	2
United Airlines	4	4	4	3	4
Alaska Airlines	5	5	5	5	5
Jet Blue Airlines	6	6	6	6	6
Horizon Airlines	-	-	-	-	8
Hawaiian Airlines	7	7	7	7	9
Frontier Airlines	-	-	-	10	10
Aeromexico	8	8	8	9	12
Air Canada	-	-	-	11	14
Spirit	-	-	-	12	7
Sun Country	-	-	-	13	13
Contour	-	-	-	14	15
Boutique	-	-	-	15	16
Volaris Airlines	9	9	9	8	11
Swift Air	-	-	-	-	-

Source: Department of Airports statistics reports.

⁽¹⁾ Defined for this analysis as scheduled airlines operating with 60 or more seats.

Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 4 of 4

	2021	2022	2023	2024	2025
Ranking					
Major Airlines⁽¹⁾					
Southwest Airlines	1	1	1	1	1
American Airlines	2	4	4	3	4
Delta Air Lines	3	2	2	2	3
United Airlines	4	3	3	4	2
Alaska Airlines	5	5	5	5	5
Jet Blue Airlines	12	11	9	11	11
Horizon Airlines	6	9	11	9	10
Hawaiian Airlines	10	7	7	7	7
Frontier Airlines	7	8	10	12	8
Aeromexico	11	12	12	10	12
Air Canada	-	13	13	13	13
Spirit	8	6	6	6	6
Sun Country	13	-	-	14	14
Contour	-	-	-	-	-
Boutique	14	14	-	-	-
Volaris Airlines	9	10	8	8	9
Swift Air	15	15	-	-	-

Source: Department of Airports statistics reports.

⁽¹⁾ Defined for this analysis as scheduled airlines operating with 60 or more seats.

Statement of Revenues, Expenses and Changes in Net Position - Last 10 Years
Fiscal Years Ended June 30
Exhibit 4

Page 1 of 2

	2016	2017	2018	2019	2020
Operating revenue:					
Concessions	\$ 78,775,227	82,409,252	90,323,536	99,038,728	80,277,417
Building rents	65,012,503	66,066,673	60,059,320	58,504,461	69,725,164
Airfield charges	21,043,860	23,671,438	27,172,330	27,879,071	25,519,182
Ground leases	2,034,604	2,107,408	3,046,387	3,524,845	3,951,171
Sale of fuel	604,640	461,300	554,321	747,844	418,914
Airport services	1,000,679	949,129	498,253	380,200	617,198
Other	72,246	84,267	6,391	(4,148,559)	3,414
Total operating revenue	168,543,759	175,749,467	181,660,538	185,926,590	180,512,460
Operating expense:					
Salaries and benefits	26,842,856	30,372,684	33,422,424	34,463,798	40,599,630
Services and supplies	58,110,395	57,602,169	64,470,461	68,725,697	77,594,078
Cost of sales and services	431,554	361,608	499,671	680,942	558,780
Depreciation and amortization	50,565,547	52,011,580	52,013,372	52,647,894	52,842,238
Other	480,259	574,703	218,429	51,266	10,984,101
Total operating expense	136,430,611	140,922,744	150,624,357	156,569,597	182,578,827
Operating income (loss):	32,113,148	34,826,723	31,036,181	29,356,993	(2,066,367)
Nonoperating revenue (expense):					
Investment income (loss)	2,000,910	1,915,111	3,222,805	8,479,767	5,981,289
Passenger facility charges revenue	19,285,187	20,544,539	22,782,880	25,587,275	19,191,446
Customer facility charges revenue	-	-	-	1,269,420	5,840,576
Intergovernmental revenue	867,632	404,582	1,695,305	595,695	35,484,822
Gain (loss) on disposal of assets	(29,493)	260,372	369,892	(212,510)	(893,634)
Other nonoperating revenue (expense)	299,019	149,481	139,045	153,682	1,843,812
Amortization of bond issuance cost ⁽¹⁾⁽³⁾	(405,146)	(388,175)	(313,653)	(25,902)	(25,902)
Interest expense	(56,140,352)	(53,042,527)	(49,551,243)	(39,402,511)	(38,910,448)
Net nonoperating revenue (expense)	(34,122,243)	(30,156,617)	(21,654,969)	(3,555,084)	28,511,961
Income (loss) before capital contributions and transfers	(2,009,095)	4,670,106	9,381,212	25,801,909	26,445,594
Capital contributions	11,368,943	15,534,748	3,279,101	11,421,118	20,520,520
Transfer out	(2,231,084)	(2,406,265)	(2,484,035)	(2,552,322)	(2,546,362)
Changes in net position	7,128,764	17,798,589	10,176,278	34,670,705	44,419,752
Total net position, beginning of year⁽²⁾	548,733,251	555,862,015	571,733,735	581,910,013	616,580,718
Total net position, end of year	\$ 555,862,015	573,660,604	581,910,013	616,580,718	661,000,470

⁽¹⁾ The amortization of bond issuance cost includes only the amortized bond prepaid insurance.

⁽²⁾ The beginning net positions for FY 2015, 2018 and 2024 have been restated to reflect the implementation of GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 101, respectively.

⁽³⁾ Amortization of bond issuance cost includes a rounding adjustment for FY 2022 as the Total Net Position at end of the year was misstated.

Statement of Revenues, Expenses and Changes in Net Position - Last 10 Years
Fiscal Years Ended June 30
Exhibit 4

Page 2 of 2

	2021	2022	2023	2024	2025
Operating revenue:					
Concessions	56,012,009	93,641,280	106,392,621	108,109,309	115,973,605
Building rents	57,906,467	64,390,549	71,732,556	79,825,987	93,527,696
Airfield charges	31,005,490	31,170,310	31,555,006	39,260,032	47,920,565
Ground leases	4,209,371	10,692,383	9,834,059	9,974,543	10,541,575
Sale of fuel	544,327	464,859	922,763	1,094,736	1,081,024
Airport services	403,387	919,883	427,692	680,886	444,618
Other	24,029	14,553	3,633	6,409	18,896
Total operating revenue	150,105,080	201,293,817	220,868,330	238,951,902	269,507,979
Operating expense:					
Salaries and benefits	44,608,558	35,393,935	39,869,392	47,439,430	50,357,019
Services and supplies	71,175,541	85,264,445	102,617,535	113,675,772	126,590,892
Cost of sales and services	493,926	861,995	860,635	1,019,957	1,003,489
Depreciation and amortization	54,892,487	55,649,935	57,091,392	57,626,332	62,322,516
Other	310,098	484,516	433,684	211,356	187,878
Total operating expense	171,480,610	177,654,826	200,872,638	219,972,847	240,461,794
Operating income (loss):	(21,375,530)	23,638,991	19,995,692	18,979,055	29,046,185
Nonoperating revenue (expense):					
Investment income (loss)	936,698	(2,474,652)	13,297,492	19,377,899	34,266,997
Passenger facility charges revenue	13,680,710	22,865,394	25,950,108	27,757,169	28,679,626
Customer facility charges revenue	3,233,524	5,066,535	9,014,790	16,403,279	18,295,544
Intergovernmental revenue	16,327,555	50,451,763	9,955,581	5,894,031	1,101,069
Gain (loss) on disposal of assets	67,175	105,558	(1,450,990)	107,066	189,957
Other nonoperating revenue (expense)	4,710,955	2,857,024	280,400	484,620	341,996
Amortization of bond issuance cost ⁽¹⁾⁽³⁾	(24,220)	(23,337)	(22,100)	(22,100)	(22,100)
Interest expense	(34,480,405)	(33,427,662)	(32,137,012)	(31,902,021)	(47,449,653)
Net nonoperating revenue (expense)	4,451,992	45,420,623	24,888,269	38,099,943	35,403,436
Income (loss) before capital contributions and transfers	(16,923,538)	69,059,614	44,883,961	57,078,998	64,449,621
Capital contributions	5,668,571	7,552,491	16,343,566	12,077,993	26,641,012
Transfer out	(2,814,183)	(2,902,410)	(2,953,104)	(2,928,828)	(3,170,390)
Changes in net position	(14,069,150)	73,709,695	58,274,423	66,228,163	87,920,243
Total net position, beginning of year ⁽²⁾	661,000,470	646,931,320	720,641,015	778,915,438	840,133,245
Total net position, end of year	646,931,320	720,641,015	778,915,438	845,143,601	928,053,488

⁽¹⁾ The amortization of bond issuance cost includes only the amortized bond prepaid insurance.

⁽²⁾ The beginning net positions for FY 2015, 2018 and 2024 have been restated to reflect the implementation of GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 101, respectively.

⁽³⁾ Amortization of bond issuance cost includes a rounding adjustment for FY 2022 as the Total Net Position at end of the year was misstated.

Airline and Nonairline Revenues - Last 7 Years
Fiscal Years Ended June 30
Exhibit 5

Page 1 of 2

	2019 ⁽²⁾	2020	2021	2022
Airline Revenue				
Terminal building rents and fees	\$ 52,452,234	60,813,934	46,698,567	52,804,244
Aircraft parking fees	2,374,015	2,767,919	3,476,740	4,558,768
Loading bridge fees	1,580,825	1,595,724	1,394,900	2,105,216
Landing fees	26,843,659	27,388,248	30,911,283	31,069,803
Airlines revenue sharing	(10,660,522)	-	-	-
Total Airline Revenue	72,590,211	92,565,825	82,481,490	90,538,031
Less cargo revenues	5,263,448	6,123,700	9,031,621	5,821,439
Passenger airline operating revenues	67,326,763	86,442,125	73,449,869	84,716,592
Enplaned passengers	6,298,447	4,941,040	3,210,164	5,793,732
Cost per Enplaned Passenger (CPE)	10.69	17.49	22.88	14.62
Nonairline Revenue Airfield area				
Fuel sales	1,489,918	1,475,151	1,552,406	1,898,107
Subtotal	1,489,918	1,475,151	1,552,406	1,898,107
Terminal building				
Food/beverage	5,655,423	4,842,511	3,430,125	3,878,105
Merchandise	2,483,578	2,317,653	2,182,660	1,755,446
Advertising	724,409	767,367	705,914	166,701
Telephones	404,196	428,162	439,319	30,251
Vending	327,444	377,124	375,411	291,434
Other terminal rents	1,759,039	1,798,162	1,590,343	1,796,290
Subtotal	11,354,089	10,530,979	8,723,772	7,918,227
Parking	66,700,985	51,510,237	32,638,657	65,445,614
Other areas				
Autorentals	14,161,083	11,927,386	9,760,797	15,052,041
Autorental shuttle bus fees	4,667,613	4,990,880	5,166,015	4,413,678
Taxi/TNC	3,491,081	2,797,975	1,072,975	2,191,504
Tiedown and hangars	746,577	737,232	729,161	754,699
FBO rentals	92,334	95,860	75,988	94,486
Aviation ground leases	2,782,772	3,093,218	3,201,291	2,442,127
Other rentals/miscellaneous	4,186,758	4,259,218	4,216,467	10,001,953
Subtotal	30,128,218	27,901,769	24,222,694	34,950,488
Other revenue				
Service fees	380,200	418,914	403,387	464,859
Miscellaneous revenue	829,399	36,087,202	20,975,539	50,730,646
Subtotal	1,209,599	36,506,116	21,378,926	51,195,505
Total Non Airline Revenue	110,882,809	127,924,252	88,516,455	161,407,941
Interest income ⁽¹⁾	7,159,293	3,823,472	(555,647)	469,389
Total Non Airline Revenue	\$ 118,042,102	131,747,724	87,960,808	161,877,330

Source: Airports financial statements.

⁽¹⁾ As defined in the Bond Indenture.⁽²⁾ Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

Airline and Nonairline Revenues - Last 7 Years
Fiscal Years Ended June 30
Exhibit 5

Page 2 of 2

	2023	2024	2025
Airline Revenue			
Terminal building rents and fees	58,695,698	63,805,854	75,359,509
Aircraft parking fees	5,051,747	5,475,727	7,198,924
Loading bridge fees	2,182,908	4,568,096	5,407,740
Landing fees	31,440,323	39,137,964	47,774,172
Airlines revenue sharing	-	-	-
Total Airline Revenue	97,370,676	112,987,641	135,740,345
Less cargo revenues	5,087,026	5,692,240	5,532,088
Passenger airline operating revenues	92,283,650	107,295,401	130,208,257
Enplaned passengers	6,444,324	6,597,093	6,905,162
Cost per Enplaned Passenger (CPE)	14.32	16.26	18.86
Nonairline Revenue Airfield area			
Fuel sales	1,694,531	1,773,653	1,782,337
Subtotal	1,694,531	1,773,653	1,782,337
Terminal building			
Food/beverage	5,992,690	3,858,818	7,944,902
Merchandise	2,202,142	473,979	2,888,524
Advertising	380,474	549,785	1,050,753
Telephones	29,703	30,425	29,481
Vending	328,256	210,012	304,478
Other terminal rents	2,148,745	2,401,503	2,672,779
Subtotal	11,082,010	7,524,522	14,890,917
Parking	73,446,876	77,553,149	77,081,965
Other areas			
Autorentals	14,945,707	15,262,199	14,666,493
Autorental shuttle bus fees	5,465,795	5,733,878	6,937,695
Taxi/TNC	3,024,296	3,798,904	4,243,544
Tiedown and hangars	764,095	789,528	796,594
FBO rentals	94,557	108,130	113,782
Aviation ground leases	2,025,972	2,111,213	2,656,396
Other rentals/miscellaneous	10,446,722	10,547,484	10,032,953
Subtotal	36,767,144	38,351,336	39,447,457
Other revenue			
Service fees	427,692	680,886	444,618
Miscellaneous revenue	7,984,426	6,459,367	1,513,375
Subtotal	8,412,118	7,140,253	1,957,993
Total Non Airline Revenue	131,402,679	132,342,913	135,160,669
Interest income ⁽¹⁾	14,789,822	19,348,711	33,631,431
Total Non Airline Revenue	146,192,501	151,691,624	168,792,100

⁽¹⁾ As defined in the Bond Indenture.⁽²⁾ Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

Summary of Historical Revenue, Expenses and Debt Service Coverage - Last 10 Years
Fiscal Years Ended June 30
Exhibit 6

Page 1 of 2

	2016	2017	2018	2019	2020
Rate Covenant per Section 6.04 (b)(i)					
Revenues ⁽¹⁾	\$ 171,150,791	178,108,554	187,410,070	193,835,260	209,664,618
Operating expenses ⁽²⁾	(88,096,148)	(91,317,429)	(101,128,080)	(106,474,025)	(121,588,396)
Net revenues	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222
Transfer (limited to 25%)	13,390,638	13,338,831	9,800,819	10,972,283	11,714,793
Net revenues + Transfers	\$ 96,445,281	100,129,956	96,082,809	98,333,518	99,791,015
Accrued debt service on senior obligations ⁽³⁾	\$ 53,562,551	53,355,325	39,203,276	43,889,132	46,859,170
Debt service coverage (>1.25)	1.80	1.88	2.45	2.24	2.13
Rate Covenant per Section 6.04 (b)(ii)					
Net revenues	\$ 83,054,643	86,791,125	86,281,990	87,361,235	88,076,222
Transfer (limited to 10%)	5,356,255	5,335,533	3,920,328	4,388,913	4,685,917
Net revenues + Transfers	\$ 88,410,898	92,126,658	90,202,318	91,750,148	92,762,139
Accrued debt service on senior obligations	\$ 53,562,551	53,355,325	39,203,276	43,889,132	46,859,170
Debt service on subordinate obligations	21,944,846	20,832,404	13,494,431	16,145,064	16,703,950
Less: PFC Revenues	(21,944,846)	(20,832,404)	(13,494,431)	(16,145,064)	(16,703,950)
Accrued debt service on senior & subordinate obligations	\$ 53,562,551	53,355,325	39,203,276	43,889,132	46,859,170
Debt Service Coverage (>1.10)	1.65	1.73	2.30	2.09	1.98

Note: The information presented in the above table reflects the definitions, conventions and debt service coverage calculation methodology set forth in the Master Indenture of Trust, approved by the Board of Supervisors and dated May 1, 2008, and under the terms of supplemental indentures.

⁽¹⁾ Per Bond Indenture, Revenues include the Department's revenues excluding certain interest earnings and restricted revenues.

⁽²⁾ Per Bond Indenture, Operating Expenses include the Department's operating expenses and other non-operating expenses. Operating Expenses exclude depreciation, amortization and debt service.

⁽³⁾ The Accrued Debt Service includes the principal payment and interest due on July 1st of the following fiscal year.

Summary of Historical Revenue, Expenses and Debt Service Coverage - Last 10 Years
Fiscal Years Ended June 30
Exhibit 6

Page 2 of 2

	2021	2022	2023	2024	2025
Rate Covenant per Section 6.04 (b)(i)					
Revenues ⁽¹⁾	170,587,943	252,523,996	245,894,132	264,679,265	302,646,419
Operating expenses ⁽²⁾	(119,402,306)	(124,907,302)	(146,734,349)	(165,275,343)	(181,309,668)
Net revenues	51,185,637	127,616,694	99,159,783	99,403,922	121,336,751
Transfer (limited to 25%)	6,895,236	6,655,225	6,436,413	6,436,413	11,546,413
Net revenues + Transfers	58,080,873	134,271,919	105,596,196	105,840,335	132,883,164
Accrued debt service on senior obligations ⁽³⁾	27,580,945	26,620,900	25,745,650	25,745,650	46,185,650
Debt service coverage (>1.25)	2.11	5.04	4.10	4.11	2.88
Rate Covenant per Section 6.04 (b)(ii)					
Net revenues	51,185,637	127,616,694	99,159,783	99,403,922	121,336,751
Transfer (limited to 10%)	2,758,095	2,662,090	2,574,565	2,574,565	4,618,565
Net revenues + Transfers	53,943,732	130,278,784	101,734,348	101,978,487	125,955,316
Accrued debt service on senior obligations	27,580,945	26,620,900	25,745,650	25,745,650	46,185,650
Debt service on subordinate obligations	16,709,750	16,709,750	16,710,000	16,705,500	17,050,500
Less: PFC Revenues	(16,709,750)	(16,709,750)	(16,710,000)	(16,705,500)	(17,050,500)
Accrued debt service on senior & subordinate obligations	27,580,945	26,620,900	25,745,650	25,745,650	46,185,650
Debt Service Coverage (>1.10)	1.96	4.89	3.95	3.96	2.73

Note: The information presented in the above table reflects the definitions, conventions and debt service coverage calculation methodology set forth in the Master Indenture of Trust, approved by the Board of Supervisors and dated May 1, 2008, and under the terms of supplemental indentures.

⁽¹⁾ Per Bond Indenture, Revenues include the Department's revenues excluding certain interest earnings and restricted revenues.

⁽²⁾ Per Bond Indenture, Operating Expenses include the Department's operating expenses and other non-operating expenses. Operating Expenses exclude depreciation, amortization and debt service.

⁽³⁾ The Accrued Debt Service includes the principal payment and interest due on July 1st of the following fiscal year.

Annual Report for the Sacramento County Water Agency Enterprise Fund For the Fiscal Years Ended June 30, 2021 through 2025

On April 8, 2003, the Sacramento County Water Agency (Agency) entered into a Joint Exercise of Powers Agreement with Sacramento County to form the Sacramento County Water Agency Financing Authority (the Authority) for the purpose of facilitating the financing of acquisition and/or construction of real and personal property in and for the Agency. The Board of Directors of the Agency serves as the Authority's governing board. For financial reporting purposes, the Master Installment Purchase Contract between the Agency and the Authority has been eliminated.

The Authority is a blended component unit of the Sacramento County Water Agency. The Sacramento County Water Agency includes the Agency's Enterprise Fund, however, it includes more than one fund. All balances and transactions of the Authority are presented in the financial statements of the Agency Enterprise Fund.

This section is provided in accordance with the requirements of the Continuing Disclosure Certificate (the Certificate) for the Sacramento County Water Financing Authority Revenue Bonds Series 2007A and Series 2007B, the Sacramento County Water Financing Authority Revenue Bonds Series 2019, the Sacramento County Water Financing Authority Revenue Bonds Series 2022A, the Sacramento County Water Financing Authority Revenue Bonds Series 2025, and the Sacramento County Water Financing Authority 2021 WIFIA Credit Agreement. The material provided under the Certificate is intended to meet or exceed the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The data tables provided herein apply to the 2007B, 2019, 2022A, 2025 bond issues, and the 2021 WIFIA Credit Agreement.

This Bond Disclosure Section included within the Sacramento County's Annual Comprehensive Financial Report (ACFR) provides the information required by the Continuing Disclosure Certificate. The ACFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

Annual Report

The following items are required by the Certificate to be included in the Annual Report:

- a) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided, that if the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- b) The Annual Report shall include an annual updating, to reflect results of the most recently completed fiscal year, of information contained in the following tables included in the Official Statement for the Series 2007B, Series 2019, Series 2022A, and Series 2025 Bonds dated April 26, 2007, October 16, 2019, February 1, 2022 and March 4, 2025 respectively (the "Official Statement"). Projections do not have to be updated.

- 1) Approximate number of connections to which the Agency delivered water - Exhibit 1
- 2) Historical and Projected Monthly Service Fees - Exhibit 2
- 3) Historical and Projected Impact & Connection Fees - Exhibit 3
- 4) Annual Water Production Summary - Exhibit 4
- 5) Water Service Accounts by Service Areas - Exhibit 5
- 6) Zone 40 and 41 Service Areas Top Ten Customers - Exhibit 6
- 7) Historical Operating Results - Exhibit 7

Reporting Of Significant Events

On October 3, 2024, Moody’s Ratings has downgraded the insurance financial strength rating of National Public Finance Guarantee Corporation (NPFG) to Baa3 from Baa2. The NPFG’s ratings outlook was changed from negative to stable. NPFG insures the Sacramento County Water Agency Zones 40 & 41 Revenue Bonds, Series 2007A and Series 2007B, as a successor of Financial Guaranty Insurance Company (FGIC).

On June 24, 2025, the Sacramento County Water Financing Authority has defeased the Revenue Bonds (Sacramento County Water Agency Zones 40 and 41 Interim Financing), Series 2022A. A Notice of Defeasance has been filed in EMMA.

Additional Information

The Certificate requires that the following information be updated annually:

Exhibit 1 - A table indicating the approximate number of connections to which the Agency delivered water.

Fiscal Year:	2020-21	2021-22	2022-23	2023-24	2024-25
Number of connections	58,890	60,004	61,348	63,295	65,340
Annual Percent Increase	2.3%	1.9%	2.2%	3.2%	3.2%

Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 40 Monthly Service Fee generally imposed on customers.

Fiscal Year:	2020-21	2021-22	2022-23	2023-24	2024-25
Monthly Rate:	\$ 28.80	28.80	28.80	28.80	28.80

Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 41 Monthly Service Fee generally imposed on customers.

Fiscal Year:	2020-21	2021-22	2022-23	2023-24	2024-25
Monthly Rate:	\$ 49.57	49.57	49.57	49.57	58.00



Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2021 through 2025

Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 40 Impact Fees.

Effective Date (Month-Yr)	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Development Fee (per EDU)	\$ 17,985	19,535	20,857	21,399	21,524
(Domestic, Commercial, Other Service)					
Annual increase	2%	9%	7%	3%	1%
Commercial Service (per acre)	\$ 10,245	11,128	11,881	11,881	11,951
Annual increase	2%	9%	7%	0%	1%
Other Service (per acre)	\$ 1,984	2,155	2,301	2,301	2,314
Annual increase	2%	9%	7%	0%	1%

Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 41 Connection Fees.

Effective Date (Month-Yr)	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Connection Fee (per EDU)	\$ 376	376	376	376	376

Exhibit 4 - Annual Water Production Summary

Water Supply Production (In Acre Feet)	2021	2022	2023	2024	2025
Ground Water	29,212	24,649	26,974	16,259	15,721
Surface Water	17,832	18,116	15,580	24,423	27,942
Recycled Water	987	686	585	555	596
Total Production	48,031	43,451	43,139	41,237	44,259
Percentage Breakdown					
Ground Water	61%	57%	63%	40%	36%
Surface Water	37%	41%	36%	59%	63%
Recycled Water	2%	2%	1%	1%	1%

Exhibit 5 - Water Service Accounts by Service Area

	2021	2022	2023	2024	2025
Zone 40 and Zone 41	55,262	56,364	57,675	59,597	61,722
Zone 40 but not within Zone 41	4,913	4,927	4,970	5,064	5,204
Zone 41 but not within Zone 40	3,628	3,640	3,673	3,638	3,618
Total	63,803	64,931	66,318	68,299	70,544

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2021 through 2025**

Exhibit 6 - Zone 40 and 41 Service Areas Top Ten Customers

Customer	Annual Water use Acre Feet (AF)	% of Total Water use
Elk Grove Unified School District	254	0.6%
Sacramento Regional County Sanitation District	244	0.6%
Bre Delta Industrial Sacramento Ltd Partnership	156	0.4%
Aramark Uniform Services Inc.	137	0.3%
Federal Government	113	0.3%
USA in Trust for Wilton Rancheria	107	0.2%
Cosumnes Community Services District	64	0.1%
Conrad Ethan	56	0.1%
Hester State Limited Partnership	38	0.1%
DS Properties 18 LP	38	0.1%
Total	1,207	2.8%

Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2021 through 2025
Exhibit 7 - Historical Operating Results
(amounts expressed in thousands)

	2020-21	2021-22	2022-23	2023-24	2024-25
Revenues:					
Operating revenues					
Water service charges	\$ 58,126	58,647	56,803	57,467	63,543
Charges for services	2,179	2,486	3,292	3,162	3,471
Capacity fees ⁽²⁾	30,840	42,890	38,396	65,695	55,892
Connection fees	483	633	456	1,182	967
Other	1,969	3,314	3,241	2,386	2,290
Total net operating revenues	93,597	107,970	102,188	129,892	126,163
Nonoperating revenues					
Total interest income	1,669	1,864	7,927	12,270	11,717
Less: interest earnings on reserves	(1,198)	(1,212)	(1,199)	(1,201)	(1,198)
Net interest income	471	652	6,728	11,069	10,519
Gain on Sale of Fixed Asset				2	6
Lawsuit Settlement Income					668
Total nonoperating revenues	471	652	6,728	11,071	11,193
Total revenues	94,068	108,622	108,916	140,963	137,356
Adjusted annual revenues ⁽¹⁾	94,068	108,622	108,916	140,963	137,356
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	32,456	34,159	38,743	41,281	40,670
Net revenues ⁽¹⁾	61,612	74,463	70,173	99,682	96,686
Impact fee credits	(2,467)	(1,720)	(951)	(3,408)	(2,073)
Net revenue less impact fee credits	59,145	72,743	69,222	96,274	94,613
Debt service					
Debt service on 2007 Bonds	9,627	9,627	11,525	11,601	11,529
Debt service on 2019 bonds	13,666	13,656	11,767	11,766	11,763
Debt service on 2022 bonds ⁽³⁾		4,595	4,657	4,823	2,067
WIFIA Credit Agreement					70
Less interest earnings on reserve	(1,198)	(1,207)	(1,199)	(1,198)	(1,198)
Adjusted annual debt service	22,095	26,671	26,750	26,992	24,231
Debt service coverage ⁽⁴⁾	2.79	2.79	2.62	3.69	3.99
Pay-as-you-go capital	25,542	29,296	35,879	27,502	10,958
Net cash flow of year's operations	\$ 11,508	16,776	6,593	41,780	59,424
Reserves end of year	\$ 71,318	52,506	134,040	178,909	238,413
Bond reserve account end of year	\$ 22,892	22,892	22,892	22,892	22,892

⁽¹⁾ Calculated in accordance with the Master Installment Purchase Contract, including the calculation of the 2022A Bonds as equal payments over 30 years with interest calculated at the RBI-based Rate.

⁽²⁾ Fiscal years 2021-22 and 2022-23 Zone 40 Capacity fees were classified as nonoperating revenue.

⁽³⁾ The Annual Adjusted Debt Service for the 2022A bonds was calculated based on a thirty-year amortization of the principal and interest at a rate equal to the Bond Buyer - Revenue Bond Index for fiscal years 2021-22, 2022-23, and 2023-24. Actual interest paid is presented in FY2024-25, net of portion paid for with capitalized interest account.

⁽⁴⁾ The debt service coverage ratios for fiscal years 2021-22 and 2022-23 have been revised.

⁽⁵⁾ Debt service for 2025 bond was paid out of the capitalized interest account.



This page intentionally left blank.

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

